

City of Miami Beach, Florida

**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2001

Jorge M. Gonzalez
City Manager

Patricia D. Walker
Chief Financial Officer

CITY OF MIAMI BEACH, FLORIDA

City Commission

Neisen O. Kasdin, Mayor

Matti Herrera Bower, Vice Mayor

Simon Cruz, Commissioner

David Dermer, Commissioner

Luis R. Garcia, Jr., Commissioner

Nancy Liebman, Commissioner

Jose Smith, Commissioner

Administration

Jorge M. Gonzalez, City Manager

Christina Cuervo, Assistant City Manager

Mayra Diaz-Buttacavoli, Assistant City Manager

Robert Middaugh, Jr., Assistant City Manager

Matthew Schwartz, Assistant City Manager

Patricia D. Walker, Chief Financial Officer

**City of Miami Beach, Florida
Comprehensive Annual Financial Report
September 30, 2001**

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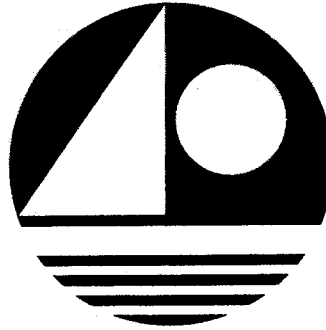
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City of Miami Beach

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CITY OF MIAMI BEACH

1700 Convention Center Drive, Miami Beach, FL 33139
<http://ci.miami-beach.fl.us>



February 28, 2002

Honorable Mayor and Members of the City Commission:

The comprehensive annual financial report of the City of Miami Beach, Florida (the "City"), for the fiscal year ended September 30, 2001, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the financial activities of the City have been included.

The comprehensive annual financial report is presented in three sections: (1) introductory, (2) financial, and (3) statistical. The introductory section includes the City's organizational chart, a list of principal officials, and this letter. The financial section includes the Independent Auditors' Report and General Purpose Financial Statements and the Combining and Individual Fund and Account Group Financial Statements and Schedules. The statistical section includes selected financial and demographic information generally presented on a multi-year basis.

This report includes all funds, account groups, and component units of the City. The City provides a full range of services. These services include police and fire protection; recreational activities and cultural events; sanitation services; water and sewer services; and the construction and maintenance of streets and infrastructure. This report includes activities of the Miami Beach Visitor and Convention Authority, the Retirement System for General Employees, the Retirement System for Police and Fire Employees, the Miami Beach Retirement System for Non-Civil Service Employees, the Miami Beach Health Facilities Authority, and the Miami Beach Redevelopment Agency (the "Agency").

Economic Conditions and Outlook

Miami Beach is an island surrounded by the sparkling Atlantic Ocean and Biscayne Bay. Miami Beach hotels host over four million visitors per year. Approximately seven million tourists visit South Beach and the Art Deco Historic District annually. In addition, residents of the surrounding areas make approximately eight million day trips to the beach annually. These visitors are the catalyst for the economic prosperity that the City of Miami Beach has experienced in recent years.

Tourism is the largest contributor to the Miami Beach economy, with over \$940 million in direct tourist spending on hotel, retail, food and beverage alone. This spending generated over \$1.5 billion in total output into the local economy, and over \$430 million in earnings. However the overall economy of the City continues to diversify. Other significant industries are Retail, Film and Entertainment, New Media, and Health Care.

As both the residential and visitor demographics of the City diversify, the real estate and economic environment of the area has matured as property values increase and more institutional investors continue to move in. Taxable property values increased approximately 14 percent from the prior year.

New construction and renovations continue to escalate at record levels. The City is assisting this revitalization by committing the necessary funding to improve and upgrade infrastructure, design and implement Citywide streetscape projects, provide additional parking, and increase public safety Citywide.

In the Redevelopment Area the Miami Beach Collins Park Cultural Center is the home for the Miami City Ballet and the newly renovated and expanded Bass Museum of Art. Designs have been approved and construction approvals are under way for the new regional library, parking and improvements to Collins Park. The existing library will be removed as part of an extensive landscaping project in the park.

In addition, the Redevelopment Area will soon see the opening of a 6,000 square foot restaurant, and an 110,000 square foot Class A office building.

The City continues to expand based on our approved CIP Program which includes projects such as: citywide streetscape and infrastructure improvements; the extension of the City's beachwalk; and the construction, renovation and rebuilding of two of the City's fire stations, as well as, parks and other community recreational facilities.

Financial Information

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit. As a recipient of federal, state, and county financial assistance, the City also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management and the Internal Audit Department of the City.

As a part of the City of Miami Beach single audit, described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City of Miami Beach has complied with applicable laws and regulations. A separate single audit report has been issued.

Budgeting Controls. The City has budgetary controls in place to ensure compliance with legal provisions. Activities of the general fund, certain special revenue funds, and the general obligation debt service fund are included in the annual appropriated budget. Project length financial plans are adopted for the capital projects funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by individual funds. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end. However, encumbrances generally are reappropriated as part of the following year's budget.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

General Government Functions. The following schedule presents a combined summary of revenues in the general fund, special revenue funds, debt service funds, capital projects funds, and

expendable trust funds for the fiscal year ended September 30, 2001, and the amount and percentage of increases and decreases in relation to revenues of the prior year. (Dollars in thousands.)

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2000</u>	<u>Percent of Increase (Decrease)</u>
Property Tax	\$ 68,604	34.42%	\$ 4,368	6.80%
Franchise & Utility Tax	19,717	9.89	2,042	11.55
Resort Tax	23,684	11.88	1,540	6.95
License and Permits	9,708	4.87	1,283	15.23
Intergovernmental	36,748	18.44	2,122	6.13
Sales and Charges for Services	10,924	5.48	2,870	35.63
Fines and Forfeitures	3,656	1.84	409	12.60
Rents and Leases	1,395	.70	122	9.58
Interest	10,318	5.18	1,239	13.65
Administrative Fees	7,673	3.85	100	1.32
Other	6,866	3.45	(710)	(9.37)
Total	<u>\$199,293</u>	<u>100.00</u>	<u>\$ 15,385</u>	

The largest dollar increase in revenues was in the property tax area, which also impacted the intergovernmental area. The increases in these areas were due to an increase in property valuations.

Sales and charges for services and franchise and utility taxes also have significant increases. These increases are attributable to the increased activity in and around the convention center hotel. Other revenue increases and decreases, while substantial in several cases on a percentage basis, represent relatively immaterial dollar amounts when compared with total revenues.

The following schedule presents a summary of expenditures in the general fund, special revenue funds, debt service funds, capital project funds, and expendable trust funds for the fiscal year ended September 30, 2001 and the percentage of increases and decreases in relation to expenditures of the prior year. (Dollars in thousands.)

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2000</u>	<u>Percent of Increase (Decrease)</u>
Current:				
General Government	\$ 24,220	10.76%	\$ 2,266	10.32%
Public Safety	76,079	33.81	6,931	10.02
Physical Environment	2,103	.94	299	16.57
Transportation	5,881	2.61	151	2.64
Economic Environment	23,147	10.29	3,225	16.19
Human Services	1,471	.66	(300)	(16.94)
Culture and Recreation	22,783	10.12	1,565	7.38
Capital Projects	7,950	3.53	(471)	(5.59)
Debt Service:				
Principal	45,259	20.11	32,189	246.28
Interest & Fiscal Charges	16,143	7.17	515	3.30
Total	<u>\$ 225,036</u>	<u>100.00%</u>	<u>\$ 46,370</u>	

The most significant percentage and dollar increase in expenditures was in the principal area of debt service. The City executed three fixed rate loan agreements totaling \$47 million. Of this amount \$32 million retired variable rate obligations and \$15 million will be used to renovate and improve two City owned golf courses and their related facilities.

The increase in the public safety area was a result of additional overtime expenses, filling vacant positions and scheduled salary increases. Other expenditure increases and decreases, while substantial in several cases on a percentage basis, represent relatively immaterial dollar amounts when compared with total expenditures.

General Fund Balance. The fund balance of the General Fund increased by \$1.2 million in 2001. This increase can be attributed to increased operations. In fiscal year 1996, the City Commission established a contingency for emergencies to be maintained at a minimum amount of eleven percent of the annual General Fund Budget of the ensuing year. The contingency balance at September 30, 2001 was \$14.2 million, and accordingly has been increased to \$15.7 million to accommodate the fiscal year 2002 budget.

Proprietary Operations. Combined revenues for the City's five enterprise operations (Water and Sewer, Parking, Sanitation, Convention Center, and Storm Water), and the two Miami Beach Redevelopment Agency's enterprise operations (Parking and Leasing) increased by \$7.6 million or 9.5% from fiscal 2000 to 2001. Of the \$7.6 million increase, the Parking System Fund revenues increased \$4.4 million. This increase resulted from rate increases, expanded hours of operations and increased demand. The Convention Center revenues increased \$2.1 million as a result of increased bookings based on the completion of the Convention Center Hotel. Other increases and decreases to enterprise operations revenues represent relatively immaterial dollar amounts when compared with total increase in revenues. Expenses of the enterprise operations increased by \$1.7 million or 2.4%.

Internal Service Funds. The City's five internal service funds (Fleet Management, Property Management, Central Services, Self Insurance, and Communications) earned combined revenues of \$28.1 million, up \$1.3 million from the previous year. Operating expenses for these funds totaled \$30.4 million, up \$8.4 million from the previous year, which resulted in an overall net operating loss from these funds of \$2.3 million.

Fiduciary Operations. The three separate pension systems maintained by the City, which covers certain full-time City employees produced an income from their investment activities of \$26.3 million and the City and its employees contributed \$7.0 million for total revenues to the plans of \$33.8 million. The plans paid out in expenses \$39.9 million, of which \$36.5 million was to retirees and beneficiaries. Fund balances of these three systems decreased by \$96.1 million to \$699.1 million, of which \$90 million of the decrease is a result of depreciation in the investment market value.

Debt Administration. At September 30, 2001, the City had \$51.0 million of general obligation bonds outstanding. The City has maintained it's A rating from Standard & Poor's Corporation and its A1 rating from Moody's Investors Services. Under current state statutes, general obligation bonded debt issued by the City is subject to a legal limitation based on 15% of total assessed value of real and personal property. As of September 30, 2001, the general obligation bonded debt of the City totaling \$51.0 million was well below the legal limit of \$1.2 billion, and debt per capita equaled \$580.

Cash Management. Excess cash during the year was invested in cash deposits, money market funds, U. S. Treasury obligations, U. S. government agencies, commercial paper, corporate bonds, and repurchase agreements. The investment portfolio of the pension trust fund includes cash deposits, U. S. government securities, corporate bonds, common stock, money market funds, and commercial paper. The average yield on investments, except for the pension trust funds, was 4.8%. The pension trust funds had a yield rate loss of 9.1% for this same period. The City earned investment income of \$46.9 million on all investments for the year ended September 30, 2001.

The investment policy of the City is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either covered by federal depository insurance or a collateral pool held by the State Treasurer for the benefit of all public deposits in

Florida, or by collateral held by third parties in trust in the name of the City. All cash and investments of the City, at September 30, 2001, met the criteria for Risk Category #1 as defined by the Governmental Accounting Standards Board.

Risk Management. The City has a risk management program for workers' compensation, general liability, and auto liability. As part of this comprehensive plan, resources are being accumulated in the self-insurance internal service fund to meet potential losses. In addition, various risk control techniques, including employee accident prevention training, have been implemented to minimize accident-related losses. The City has \$8.6 million currently restricted for future losses.

Other Information

Independent Audit. State statutes require an annual audit by independent certified public accountants. The accounting firm of KPMG LLP, was recommended by an evaluation committee to the City Manager and approved by the City Commission. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the federal Single Audit Act of 1996 as amended, and the related OMB Circular A-133. The report of the independent certified public accountant on the general purpose financial statements is included in the financial section of this report.

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended September 30, 2000. This was the fourteenth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to conform to the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments. The preparation of the comprehensive annual financial report was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of the governing body of the City, preparation of this report would not have been possible.

Sincerely,



Jorge M. Gonzalez
City Manager



Patricia D. Walker
Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Miami Beach,
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2000

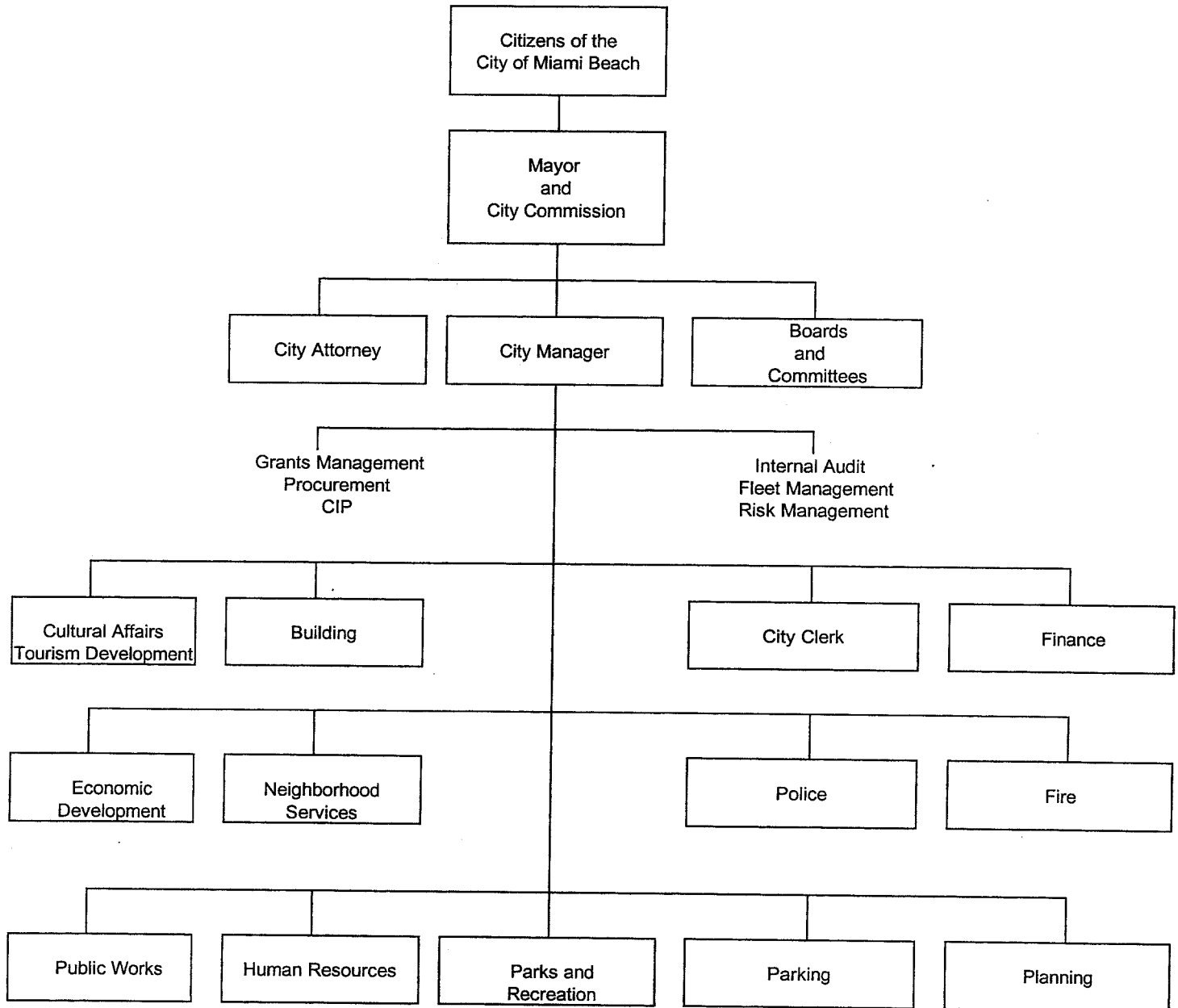
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

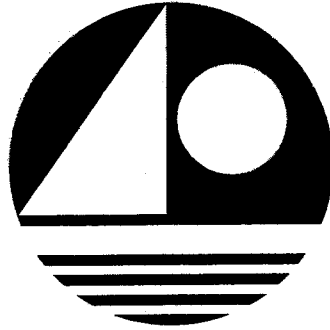


Thomas A. Chave
President

Jeffrey L. Esser
Executive Director

**City of Miami Beach
Florida**





City of Miami Beach

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FINANCIAL STATEMENTS



One Biscayne Tower
Suite 2800
2 South Biscayne Boulevard
Miami, FL 33131

Independent Auditors' Report

Honorable Mayor and Members
of the City Commission
City of Miami Beach, Florida:

We have audited the general purpose financial statements of the City of Miami Beach, Florida, as of and for the year ended September 30, 2001, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the management of the City of Miami Beach, Florida. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the City of Miami Beach, Florida Retirement System for General Employees, the Retirement System for Policemen and Firemen, and the Retirement System for Unclassified Employees and Elected Officials, which combined statements represent approximately 99 percent of the total assets for the fiduciary fund type as of September 30, 2001 and approximately 97 percent of total revenue of fiduciary funds for the year ended September 30, 2001. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the pension trust funds, is based solely on the reports of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the pension trust funds were not audited in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States, and, accordingly, are not covered by our report in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.



In our opinion, based on our audit and the report of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Miami Beach, Florida, as of September 30, 2001, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in note 15 to the general purpose financial statements, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

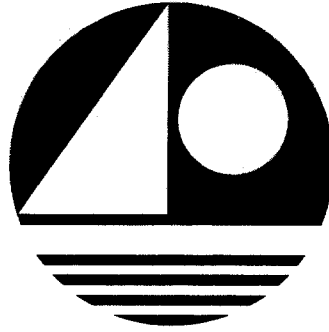
In accordance with *Government Auditing Standards*, we have also issued a report, dated February 28, 2002, on our consideration of the City of Miami Beach, Florida's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Miami Beach, Florida. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, based on our audit and the reports of other auditors, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report, and accordingly, express no opinion thereon.

KPMG LLP

February 28, 2002



City of Miami Beach

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**CITY OF MIAMI BEACH, FLORIDA
COMBINED BALANCE SHEET
ALL FUND TYPES, ACCOUNT GROUPS
AND DISCRETELY PRESENTED COMPONENT UNITS
September 30, 2001**

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals Primary Government (Memorandum Only)	Component Units	Totals Reporting Entity (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations			
Assets and Other Debits												
Assets:												
Cash and investments	\$ 27,937,496	\$ 42,960,077	\$ 12,328,657	\$ 78,455,247	\$ 32,086,123	\$ 14,558,981	\$ 704,892,402	\$	\$	\$ 913,199,983	\$ 1,687,524	\$ 914,887,507
Cash with fiscal agent						100,000				100,000		100,000
Receivables:												
Accounts (net of allowance for uncollectibles)	3,587,412	2,045,285	694,061		8,997,406	45,731	524,238			15,894,133	395,512	16,289,645
Accrued interest	1,256,350		22,407	54,559	629,758		3,850,416			5,813,490		5,813,490
Notes		106,085		32,700						138,785		138,785
Delinquent taxes	397,471		79,976							477,446		477,446
Due from other funds	1,605,145	227,642			125,000	11,340				1,969,127		1,969,127
Due from other governments		357,188		14,802	45					372,015		372,015
Inventories (at cost)		248,033		105,528	1,497,596	305,464				2,156,621		2,156,621
Prepaid and deferred expenditures/expenses		42,273			3,862,187	878,221				4,782,681		4,782,681
Restricted assets:												
Cash and investments												
Fixed assets (net, where applicable, of accumulated depreciation) -					169,143,249	8,624,620				177,767,869		177,767,869
Other Debits:					276,897,897	16,566,460		314,852,895		608,357,252		608,357,252
Amount available for payment of debt									13,014,935	13,014,935		13,014,935
Amount to be provided for retirement of general long-term obligations									270,005,036	270,005,036		270,005,036
Total assets and other debits	\$ 34,783,874	\$ 45,986,563	\$ 13,123,100	\$ 78,665,836	\$ 493,219,261	\$ 41,090,817	\$ 709,267,056	\$ 314,852,895	\$ 283,019,971	\$ 2,014,049,373	\$ 2,083,036	\$ 2,016,132,409
Liabilities, equity and other credits												
Liabilities:												
Accounts payable	\$ 1,437,470	\$ 2,367,367	\$	\$ 629,534	\$ 4,030,175	\$ 1,638,413	\$ 5,912,918	\$	\$	\$ 16,615,877	\$ 13,012	\$ 16,628,889
Accrued expenditures/expenses	3,267,542	638,522	14,814		1,769,980	165,463	2,598			5,858,919		5,858,919
Current maturities of revenue bonds payable and obligations under capital leases					4,530,784					4,530,784		4,530,784
Payable from restricted assets:												
Pending insurance claims												
Insurance claims incurred but not reported												
Customer deposits					6,983,159					6,983,159		6,983,159
Trust deposits												
Due to other funds	3,218	1,822,792		96,452	44,665		2,241,531			2,241,531		2,241,531
Due to other governments		423			133,922					1,969,127		1,969,127
Deferred revenues	2,145,637		93,351		701,255					134,345		134,345
Accrued compensated absences										2,940,243		2,940,243
Obligations under capital leases					678,381	516,877			10,013,977	11,209,235		11,209,235
General obligation bonds payable					794,682				50,985,000	794,682		794,682
Special obligation bonds									209,503,000	50,985,000		50,985,000
Other long-term obligations					174,279,008				383,782,008	383,782,008		383,782,008
Total liabilities	\$ 6,853,967	\$ 5,429,104	\$ 108,165	\$ 727,966	\$ 183,946,011	\$ 18,031,753	\$ 8,157,047		\$ 283,019,971	\$ 514,273,904	\$ 13,012	\$ 514,286,916

(continued)

CITY OF MIAMI BEACH, FLORIDA
COMBINED BALANCE SHEET
ALL FUND TYPES, ACCOUNT GROUPS
AND DISCRETELY PRESENTED COMPONENT UNITS
September 30, 2001
(continued)

	Governmental Fund Types			Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals Primary Government (Memorandum Only)	Component Units	Totals Reporting Entity (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise		General Fixed Assets	General Long-Term Obligations			
Equity and other credits:											
Contributed capital											
Investments in general fixed assets											
Retained earnings:											
Reserved per revenue bond indentures											
Fund balances:											
Unreserved											
Reserved for encumbrances	2,837,608	2,764,345		14,804,547		257,591					
Reserved for employees' pension benefits						699,132,120					
Reserved for debt service			13,014,935								
Reserved for inventories		84,245		105,528							
Reserved for notes receivables		106,085		32,700							
Reserved for prepaid		42,273									
Reserved for capital improvements				62,995,075							
Unreserved:											
Designated for contingencies	14,188,887										
Undesignated	10,903,512	37,550,511				1,720,298					
Total retained earnings/fund balances	27,930,007	40,557,459	13,014,935	77,937,850	125,734,000	16,122,979			1,002,407,239	2,070,024	1,004,477,263
Total equity and other credits	27,930,007	40,557,459	13,014,935	77,937,850	299,273,250	25,059,064	314,892,895		1,499,775,469	2,070,024	1,501,845,493
Total liabilities, equity and other credits	\$ 34,783,874	\$ 45,986,563	\$ 13,123,100	\$ 78,665,836	\$ 493,219,261	\$ 41,090,817	\$ 314,892,895	\$ 283,019,971	\$ 2,014,049,373	\$ 2,063,036	\$ 2,016,132,409

See notes to financial statements

CITY OF MIAMI BEACH, FLORIDA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - ALL GOVERNMENTAL FUND TYPES, SIMILAR TRUST FUNDS
AND DISCRETELY PRESENTED COMPONENT UNITS
For the Fiscal Year Ended September 30, 2001

	Governmental Fund Types			Fiduciary Fund Type		Totals Primary Government (Memorandum Only)	Component Units	Totals Reporting Entity (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trusts			
Revenues:								
Property taxes	\$ 59,342,355	\$	\$ 9,261,524	\$	\$	\$ 68,603,879	\$	\$ 68,603,879
Franchise fees	8,013,954					8,013,954		8,013,954
Utility taxes	11,703,187					11,703,187		11,703,187
Licenses and permits	9,707,800					9,707,800		9,707,800
Intergovernmental revenues	9,816,077	26,184,135		747,285		36,747,497	978,727	37,726,224
Sales and charges for services	1,722,088	8,492,543			709,522	10,924,153	109,536	11,033,689
Special assessments			1,273,494			1,273,494		1,273,494
Rents and leases	1,395,175					1,395,175		1,395,175
Interest income	5,833,735	1,356,231	419,227	2,619,572	89,128	10,317,893		10,317,893
Fines and forfeitures	1,745,578				1,910,835	3,656,413		3,656,413
Resort taxes	7,672,896	23,684,024				23,684,024		23,684,024
Administrative fees	2,962,986	2,583,294	10,251	20,252	15,944	7,672,896	19,598	7,672,896
Other						5,592,727		5,612,325
Total revenues	119,915,831	62,300,227	10,964,496	3,387,109	2,725,429	199,293,092	1,107,861	200,400,953
Expenditures:								
Current:								
General government	21,690,918	2,529,247				24,220,165		24,220,165
Public safety	72,443,838	1,417,957			2,217,167	76,078,962		76,078,962
Physical environment	2,035,849	66,809				2,102,658		2,102,658
Transportation	2,561,739	3,319,289				5,881,028		5,881,028
Economic environment	10,685,232	12,462,028				23,147,260		23,147,260
Human services	454,701	1,016,434				1,471,135	53	1,471,188
Culture and recreation	13,251,011	8,834,969			696,710	22,782,690	918,132	23,700,822
Capital outlay				7,949,884		7,949,884		7,949,884
Debt service:								
Principal retirement		307,400	44,952,000			45,259,400		45,259,400
Interest and fiscal charges		24,143	16,119,004			16,143,147		16,143,147
Total expenditures	123,123,288	29,978,276	61,071,004	7,949,884	2,913,877	225,036,329	918,185	225,954,514
Excess (deficiency) of revenues over (under) expenditures	(3,207,457)	32,321,951	(50,106,508)	(4,562,775)	(188,448)	(25,743,237)	189,676	(25,553,561)
Other financing sources (uses):								
Proceeds of debt issuance			47,240,342			47,240,342		47,240,342
Operating transfers in	11,624,658	7,537,684	33,991,905	18,594,991		71,749,238		71,749,238
Operating transfers out	(7,172,847)	(27,591,256)	(29,723,462)	(5,527,314)		(70,014,879)		(70,014,879)
Total other financing sources (uses)	4,451,811	(20,053,572)	51,508,785	13,067,677		48,974,701		48,974,701

(continued)

CITY OF MIAMI BEACH, FLORIDA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - ALL GOVERNMENTAL FUND TYPES, SIMILAR TRUST FUNDS
 AND DISCRETELY PRESENTED COMPONENT UNITS
 For the Fiscal Year Ended September 30, 2001
 (continued)

	Governmental Fund Types			Fiduciary		Totals Primary Government (Memorandum Only)	Component Units	Totals Reporting Entity (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Fund Type Expendable Trusts			
Total other financing sources (uses)								
Balance brought forward	\$ 4,451,811	\$ (20,053,572)	\$ 51,508,785	\$ 13,067,677	\$	\$ 48,974,701	\$	\$ 48,974,701
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	1,244,354	12,268,379	1,402,277	8,504,902	(188,448)	23,231,464	189,676	23,421,140
Fund balances at beginning of year	26,685,653	28,289,080	11,612,658	69,432,948	2,166,337	138,186,676	1,880,348	140,067,024
Fund balances at end of year	\$ 27,930,007	\$ 40,557,459	\$ 13,014,935	\$ 77,937,850	\$ 1,977,889	\$ 161,418,140	\$ 2,070,024	\$ 163,488,164

See notes to financial statements

CITY OF MIAMI BEACH, FLORIDA
COMBINED STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - BUDGETARY BASIS
GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS
For the Fiscal Year Ended September 30, 2001

	General Fund			Special Revenue Funds			Debt Service Funds		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
Revenues:									
Property taxes	\$ 59,796,643	\$ 59,342,355	\$ (454,288)	\$	\$	\$	\$ 9,334,224	\$ 9,261,524	\$ (72,700)
Franchise fees	6,548,650	8,013,954	1,465,304						
Utility taxes	11,878,900	11,703,187	(175,713)						
Licenses and permit fees	8,443,200	9,707,800	1,264,600						
Resort taxes				23,400,000	23,684,024	284,024			
Intergovernmental	9,465,000	9,816,077	351,077	17,695,554	17,442,124	(253,430)			
Charges for services	2,085,200	1,722,088	(363,112)	2,209,760	2,891,841	682,081			
Rents and leases	1,226,495	1,395,175	168,680						
Contributions from other funds									
Interest income	5,640,000	5,833,735	193,735	382,500	278,977	(103,523)	1,877,500	415,737	(1,877,500)
Fines and forfeitures	1,318,200	1,745,578	427,378				356,788		58,949
Administrative fees	7,667,896	7,672,896	5,000						
Other	8,605,051	2,962,986	(5,642,075)	1,220,647	354	(1,220,293)		10,251	10,251
Total revenues	122,675,245	119,915,831	(2,759,414)	44,908,461	44,297,320	(611,141)	11,568,512	9,687,512	(1,881,000)
Expenditures:									
Current:									
General government	24,422,588	22,960,638	1,461,950	885,188	751,107	134,081			
Public safety	72,915,948	72,904,586	11,362						
Physical environment	1,815,239	1,812,197	3,042						
Transportation	2,749,011	2,714,250	34,761						
Economic environment	10,902,784	10,687,332	215,452	3,667,834	8,778,634	(5,110,800)			
Human services	481,874	461,791	20,083						
Culture and recreation	14,668,362	14,420,102	268,260	7,074,517	6,683,540	390,977			
Debt service:									
Principal retirement					2,400	(2,400)	8,895,001	9,055,000	(159,999)
Interest and fiscal charges							10,390,135	10,187,190	202,945
Total expenditures	127,975,806	125,960,896	2,014,910	11,627,539	16,215,681	(4,588,142)	19,285,136	19,242,190	42,946
Excess (deficiency) of revenues over (under) expenditures	(5,300,561)	(6,045,065)	(744,504)	33,280,922	28,081,639	(5,199,283)	(7,716,624)	(9,554,678)	(1,838,054)
Other financing sources (uses):									
Operating transfers in	11,624,658	11,624,658		1,000,000	5,868,034	4,868,034	7,716,624	10,688,696	2,972,072
Operating transfers out	(6,324,097)	(7,172,847)	(848,750)	(34,280,922)	(26,817,256)	7,463,666			
Total other financing sources (uses)	5,300,561	4,451,811	(848,750)	(33,280,922)	(20,949,222)	12,331,700	7,716,624	10,688,696	2,972,072
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$	(1,593,254)	\$ (1,593,254)	\$	7,132,417	\$ 7,132,417	\$	1,134,018	\$ 1,134,018

See notes to financial statements

CITY OF MIAMI BEACH, FLORIDA
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
RETAINED EARNINGS - ALL PROPRIETARY FUND TYPES

For the Fiscal Year Ended September 30, 2001

	Proprietary Fund Types		Totals
	Enterprise	Internal Service	(Memorandum Only)
Operating revenues:			
Charges for services	\$ 74,792,345	\$ 26,587,357	\$ 101,379,702
Miscellaneous revenues	12,955,117	1,541,161	14,496,278
Total operating revenues	87,747,462	28,128,518	115,875,980
Operating expenses:			
Personal services	13,743,256	4,930,447	18,673,703
Operating supplies	2,822,878	2,758,993	5,581,871
Contractual services	32,071,797	7,090,517	39,162,314
Utilities	2,523,580	1,318,092	3,841,672
Internal charges	4,419,277	1,464,740	5,884,017
Depreciation	6,611,612	4,439,148	11,050,760
Administrative fees	6,394,896	846,094	7,240,990
Insurance	140,869	1,370,923	1,511,792
Amortization	365,831		365,831
Claims and judgements		4,891,003	4,891,003
Other	695,534	1,311,854	2,007,388
Total operating expenses	69,789,530	30,421,811	100,211,341
Operating income (loss)	17,957,932	(2,293,293)	15,664,639
Non-operating revenues (expenses):			
Interest income	9,165,181	1,063,004	10,228,185
Interest expense and fiscal charges	(7,751,486)	(40,180)	(7,791,666)
Disposal of assets	20,659	75,970	96,629
Total non-operating revenues (expenses)	1,434,354	1,098,794	2,533,148
Income before operating transfers	19,392,286	(1,194,499)	18,197,787
Operating transfers in	381,542		381,542
Operating transfers out	(2,046,429)	(69,472)	(2,115,901)
Net operating transfers	(1,664,887)	(69,472)	(1,734,359)
Net income (loss)	17,727,399	(1,263,971)	16,463,428
Add: Depreciation on contributed capital	3,607,368	2,171,683	5,779,051
Retained earnings at beginning of year	104,399,233	15,215,267	119,614,500
Retained earnings at end of year	\$ 125,734,000	\$ 16,122,979	\$ 141,856,979

See notes to financial statements

**CITY OF MIAMI BEACH, FLORIDA
COMBINED STATEMENT OF CHANGES IN PLAN NET ASSETS
ALL PENSION TRUST FUNDS**

**For the Fiscal Year Ended September 30, 2001
(With Comparative Totals for the Fiscal Year Ended September 30, 2000)**

	<u>2001</u>	<u>2000</u>
Additions:		
Contributions -		
Employer	\$ 733,425	\$ 666,897
Employee	6,269,911	6,341,509
Transfers from other systems	278,131	66,495
Other	<u>12,441</u>	<u>11,939</u>
Total contributions	<u>7,293,908</u>	<u>7,086,840</u>
Investment income -		
Net (depreciation) appreciation in fair value of investments	(90,019,880)	53,689,548
Interest income	21,887,097	22,199,835
Dividends	<u>4,456,869</u>	<u>4,178,647</u>
	(63,675,914)	80,068,030
Investment management expenses	(1,767,451)	(2,095,613)
Deferred retirement option plan participants' earnings (loss)	<u>209,830</u>	<u>(184,027)</u>
Net investment income (loss)	<u>(65,233,535)</u>	<u>77,788,390</u>
Total additions (reductions)	<u>(57,939,627)</u>	<u>84,875,230</u>
Deductions:		
Benefit paid	36,472,568	35,771,165
Contributions refunded	471,339	346,700
Transfers to other systems	189,047	122,757
Administrative expenses	<u>1,040,413</u>	<u>957,980</u>
Total deductions	<u>38,173,367</u>	<u>37,198,602</u>
Net increase (decrease)	(96,112,994)	47,676,628
Net assets held in trust for pension benefits - beginning of year	<u>795,245,114</u>	<u>747,568,486</u>
Net assets held in trust for pension benefits - end of year	<u>\$ 699,132,120</u>	<u>\$ 795,245,114</u>

See notes to financial statements

CITY OF MIAMI BEACH, FLORIDA
COMBINED STATEMENT OF CASH FLOWS-ALL PROPRIETARY FUND TYPES

For the Fiscal Year Ended September 30, 2001

	Enterprise	Internal Service	Totals (Memorandum Only)
Cash flows from operating activities:			
Cash received from customers	\$ 72,873,328	\$ 26,574,815	\$ 99,448,143
Cash paid to suppliers	(48,065,918)	(15,339,148)	(63,405,066)
Cash paid to employees	(13,705,499)	(4,967,678)	(18,673,177)
Cash paid for claims and judgements		(4,512,003)	(4,512,003)
Miscellaneous revenues	12,955,117	1,509,659	14,464,776
Net cash provided by operating activities	<u>24,057,028</u>	<u>3,265,645</u>	<u>27,322,673</u>
Cash flows for non-capital financing activities:			
Transfers in	381,542		381,542
Transfers out	(2,046,429)	(69,472)	(2,115,901)
Net cash used in non-capital financing activities	<u>(1,664,887)</u>	<u>(69,472)</u>	<u>(1,734,359)</u>
Cash flows from capital and related financial activities:			
Proceeds of debt issuance	51,502,270		51,502,270
Interest and fiscal charges	(7,288,716)	(40,180)	(7,328,896)
Bond payments-principal	(3,030,000)		(3,030,000)
Capital lease payments	(620,412)		(620,412)
Purchase of fixed assets	(21,816,860)	(3,498,928)	(25,315,788)
Proceeds from sale of fixed assets	47,045	146,921	193,966
Net cash provided by (used in) capital and related financing activities	<u>18,793,327</u>	<u>(3,392,187)</u>	<u>15,401,140</u>
Cash flows from investing activities:			
Interest on investments	9,062,719	1,063,004	10,125,723
Net increase in cash and investments	50,248,187	866,990	51,115,177
Cash and investments - beginning of year	<u>150,961,185</u>	<u>22,416,611</u>	<u>173,377,796</u>
Cash and investments - end of year	<u>\$ 201,209,372</u>	<u>\$ 23,283,601</u>	<u>\$ 224,492,973</u>
Classified as:			
Current assets	\$ 32,066,123	\$ 14,658,981	\$ 46,725,104
Restricted assets	169,143,249	8,624,620	177,767,869
Total cash and investments	<u>\$ 201,209,372</u>	<u>\$ 23,283,601</u>	<u>\$ 224,492,973</u>
Non-cash transactions affecting financial position:			
Capital contributions of fixed assets	<u>\$ 24,860</u>	<u>\$ 18,710</u>	<u>\$ 43,570</u>

(continued)

See notes to financial statements

CITY OF MIAMI BEACH, FLORIDA
COMBINED STATEMENT OF CASH FLOWS-ALL PROPRIETARY FUND TYPES
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY
OPERATING ACTIVITIES

For the Fiscal Year Ended September 30, 2001
(continued)

	Enterprise	Internal Service	Totals (Memorandum Only)
Operating income (loss)	\$ 17,957,932	\$ (2,293,293)	\$ 15,664,639
Adjustments to reconcile net operating income (loss) to cash provided by operating activities:			
Depreciation and amortization	6,977,443	4,439,148	11,416,591
Provision for uncollectible accounts	367,986	6,654	374,640
Changes in assets and liabilities:			
(Increase) decrease in inventories	111,966	(15,701)	96,265
Increase in accounts receivable	(1,857,646)	(33,126)	(1,890,772)
Increase in due from other governments	(45)		(45)
Increase in due from other funds	(35,000)	(769)	(35,769)
Increase in prepaid expense	(573,221)	(348,173)	(921,394)
Increase in accounts payable	413,294	1,101,461	1,514,755
Increase in accrued expenses	228,220	90,456	318,676
Increase in pending insurance claims		826,000	826,000
Decrease in insurance claims incurred but not reported		(447,000)	(447,000)
Increase in deposits	434,448		434,448
Increase in due to other governments	38,137		38,137
Decrease in due to other funds	(32,273)		(32,273)
Increase in deferred revenues	18,981		18,981
Increase (decrease) in accrued compensated absences	6,806	(60,012)	(53,206)
Total adjustments	6,099,096	5,558,938	11,658,034
Net cash provided by operating activities	\$ 24,057,028	\$ 3,265,645	\$ 27,322,673

See notes to financial statements

CITY OF MIAMI BEACH, FLORIDA
COMBINING BALANCE SHEET - DISCRETELY PRESENTED COMPONENT UNITS

September 30, 2001

	<u>Miami Beach Visitor and Convention Authority</u>	<u>Miami Beach Health Facilities Authority</u>	<u>Total</u>
<u>Assets</u>			
Cash and investments	\$ 914,615	\$ 772,909	\$ 1,687,524
Accounts receivable	<u>176,304</u>	<u>219,208</u>	<u>395,512</u>
Total assets	<u><u>\$ 1,090,919</u></u>	<u><u>\$ 992,117</u></u>	<u><u>\$ 2,083,036</u></u>
<u>Liabilities and fund balances</u>			
Liabilities:			
Accounts payable	<u>\$ 13,012</u>	<u>\$</u>	<u>\$ 13,012</u>
Total liabilities	<u>13,012</u>	<u></u>	<u>13,012</u>
Fund balances:			
Unreserved:			
Designated for contingencies	300,000		300,000
Undesignated	<u>777,907</u>	<u>992,117</u>	<u>1,770,024</u>
Total fund balances	<u>1,077,907</u>	<u>992,117</u>	<u>2,070,024</u>
Total liabilities and fund balances	<u><u>\$ 1,090,919</u></u>	<u><u>\$ 992,117</u></u>	<u><u>\$ 2,083,036</u></u>

See notes to financial statements

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - DISCRETELY PRESENTED COMPONENT UNITS

For the Fiscal Year Ended September 30, 2001

	Miami Beach Visitor and Convention Authority	Miami Beach Health Facilities Authority	Total
Revenues:			
Intergovernmental revenues	\$ 978,727	\$	\$ 978,727
Sales and charges for services		109,536	109,536
Other	17,162	2,436	19,598
	<u>995,889</u>	<u>111,972</u>	<u>1,107,861</u>
Total revenues			
Expenditures:			
Current:			
Human services		53	53
Culture and recreation	918,132		918,132
	<u>918,132</u>	<u>53</u>	<u>918,185</u>
Total expenditures			
Excess of revenues over expenditures	77,757	111,919	189,676
Fund balances - beginning of year	1,000,150	880,198	1,880,348
Fund balances - end of year	<u>\$ 1,077,907</u>	<u>\$ 992,117</u>	<u>\$ 2,070,024</u>

See notes to financial statements

**CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2001**

1. Summary of Significant Accounting Policies

The City of Miami Beach, Florida (the "City") records its transactions in the various individual funds and account groups to comply with the limitations and restrictions placed both on the resources made available to the City and the services provided. The more significant of the City's accounting policies are described below.

A. Reporting Entity

The City was incorporated as a municipal corporation on March 26, 1915 and was created by the Florida Legislature, Chapter 7672, Laws of Florida (1917). The City is governed by an elected mayor and six member commission. The City operates under a Commission-Manager form of government.

In accordance with Governmental Accounting Standards Board (GASB) pronouncements, the City's financial statements include all funds, account groups, departments, agencies, boards, and other organizations over which City officials are considered to be financially accountable.

Financial accountability includes such aspects as appointment of governing body members, budget review, approval of property tax levies, outstanding debt secured by the full faith credit of the City or its revenue stream, and responsibility for funding deficits.

As a result of applying the entity definition criteria of the GASB, certain organizations have been included or excluded from the City's financial statements.

The following are blended and discretely presented component units included in the City's financial statements.

i. Miami Beach Redevelopment Agency

The Miami Beach Redevelopment Agency (the "Agency") was created under the Community Redevelopment Act of 1969, enacted by the Florida Legislature. The Agency's Board of Directors is the City Commission. The Agency's executive director is the City Manager. The Agency's budget is adopted by its directors and approximately 50% of the Agency's operating revenue is derived from the City's tax increment contributions. The Agency is accounted for as a blended component unit in the City's financial statements.

ii. Miami Beach Health Facilities Authority

The Miami Beach Health Facilities Authority (the "Authority") was created under the Health Facilities Authorities Law, Chapter 154, Part III of the Florida Statutes. The Authority is appointed by the City Commission, serves a four-year term and is subject to reappointment. The revenue of the Authority is derived from fees generated from the sale of bonds to finance health facilities within Miami Beach. The City receives all funds of the Authority in excess of operational needs of the Authority. Debt issued under the oversight of the Authority is not debt of the City or the Authority and therefore is not included in the accompanying financial statements. The Authority is accounted for as a discretely presented component unit in the City's financial statements. The Authority accounts for its financial activities using only the general fund.

**CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2001 (Continued)**

iii. Miami Beach Visitor and Convention Authority

The Miami Beach Visitor and Convention Authority (the "VCA") was created under Chapter 67-930, Section 8, of the Florida Statutes. The VCA is appointed by the City Commission to administer a portion of the collections of the municipal resort tax in order to promote tourism and convention business. Operating costs of the VCA are paid by the City. The VCA is accounted for as a discretely presented component unit in the City's financial statements.

iv. Miami Beach Neighborhood Improvement District #1

The Miami Beach Neighborhood Improvement District No. 1 (the "NID#1") was created under Chapter 87-243, Section 55-73, of the Florida Statutes. The NID#1's Board of Directors is the City Commission. The NID#1's operating revenues are derived from grants, ad valorem taxes, or special assessments. The NID#1 is accounted for as a blended component unit in the City's financial statements and had no financial activity during fiscal year 2001.

v. Miami Beach Neighborhood Improvement District #2

The Miami Beach Neighborhood Improvement District No. 2 (the "NID#2") was created under Chapter 87-243, Section 55-73, of the Florida Statutes. The NID#2's Board of Directors is the City Commission. The NID#2's operating revenues are derived from grants, ad valorem taxes, or special assessments. The NID#2 is accounted for as a blended component unit in the City's financial statements and had no financial activity during fiscal year 2001.

vi. Miami Beach Neighborhood Improvement District #3

The Miami Beach Neighborhood Improvement District No. 3 (the "NID#3") was created under Chapter 87-243, Section 55-73, of the Florida Statutes. The NID#3's Board of Directors is the City Commission. The NID#3's operating revenues are derived from grants, ad valorem taxes, or special assessments. The NID#3 is accounted for as a blended component unit in the City's financial statements and had no financial activity during fiscal year 2001.

vii. Normandy Shores Local Government Neighborhood Improvement District

The Miami Beach Normandy Shores Local Government Neighborhood Improvement District (the "NSNID") was created under Chapter 163.506, of the Florida Statutes. The NSNID's Board of Directors is the City Commission. The NSNID's revenues are derived from ad valorem taxes. The NSNID is accounted for as a blended component unit in the City's Special Revenue Funds financial statements under the column entitled, "Special Districts and Services Fund".

**CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2001 (Continued)**

Complete financial statements for the component units may be obtained at the entity's offices:

Miami Beach Redevelopment Agency
1700 Convention Center Drive
Miami Beach, Florida 33139

Miami Beach Health Facilities Authority
1700 Convention Center Drive
Miami Beach, Florida 33139

Miami Beach Visitor and Convention Authority
555 Hank Meyer Boulevard
Miami Beach, Florida 33139

Miami Beach Neighborhood
Improvement District #1, #2, & #3
1700 Convention Center Drive
Miami Beach, Florida 33139

Normandy Shores Local
Government Neighborhood
Improvement District
1700 Convention Center Drive
Miami Beach, Florida 33139

B. Basis of Presentation and Measurement Focus

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, expenditures, or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into three broad fund categories composed of seven generic funds plus two account groups. These broad fund categories are:

i. Governmental Fund Types

Governmental Fund Types are accounted for on a current financial resources measurement focus. Only current assets and current liabilities are generally included on their balance sheet. Their operating statements present sources (revenues and other financing sources) and uses (expenditures and other financing uses) of available spendable resources during the period. The generic funds in this category are: (a) General, (b) Special Revenue, (c) Debt Service, and (d) Capital Projects.

ii. Proprietary Fund Types

Proprietary Funds are accounted for on an economic resources measurement focus. The government applies all applicable FASB pronouncements issued on or before November 30, 1989 in accounting and reporting for its proprietary operations. In accordance with Government Accounting Standards, the City has elected not to apply FASB pronouncements issued after that date to its proprietary operations. All assets and all liabilities (whether current or non-current) associated with their activity are included on their Balance Sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund measurement focus is on determination of net income, financial position, and changes in cash flows. The generic funds in this category are Enterprise and Internal Service Funds.

CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2001 (Continued)

iii. Fiduciary Fund Types

Fiduciary Fund Types account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other Governments and other funds. These include Expendable Trusts, Pension Trusts and Agency Funds. Expendable Trust Funds are accounted for in essentially the same manner as Governmental Fund Types. Pension Trust Funds are accounted for in essentially the same manner as Proprietary Fund Types. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

iv. Account Groups

The two account groups in this financial report are used to provide accounting control and accountability for the City's General Fixed Assets and General Long-Term Obligations Group. These two account groups are:

a. General Fixed Assets

This account group is established to account for all fixed assets of the City, other than those accounted for in the Proprietary Funds.

b. General Long-Term Obligations

This account group is established to account for all Long-Term obligations of the City other than those accounted for in the Proprietary Funds.

C. Basis of Accounting

The accrual basis of accounting is used for all funds except for the Governmental Fund types, Expendable Trust Funds and Agency Funds which use the modified accrual basis of accounting. Modifications from the accrual basis to present the modified accrual basis are as follows:

- i. Revenues are recognized when they become both measurable and available to finance expenditures of the current period. Property taxes and intergovernmental revenues are the significant revenue sources considered susceptible to accrual;
- ii. Purchases of capital assets providing future benefits are considered expenditures and are accounted for in the General Fixed Assets account group. Appropriations for capital projects are carried forward until such time as the project is completed or terminated;
- iii. Interest on General Long-Term Indebtedness is not accrued but is recorded as an expenditure on its due date; and
- iv. Outstanding encumbrances at year end are excluded from current year expenditures and reported as reservations of fund equity.

D. Budgetary Data

At least 45 days prior to the close of the fiscal year, the City Commission is presented with a proposed budget. The proposed budget includes anticipated expenditures and the means of financing them. After Commission review and public hearings, the budget is adopted prior to October 1st. Budgets are approved on a fund by fund basis and management may transfer amounts between line items or

**CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2001 (Continued)**

departments as long as the transfer does not result in an increase in total fund budget. The budget presented is the final adopted budget, which has been amended during the year.

Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of the City. Budgets are adopted on the modified accrual basis of accounting with the inclusion of encumbrances as reductions in the budgetary amount available (Budgetary Basis). Appropriations not encumbered lapse at year end. Outstanding encumbrances at year end are reported as a reservation of fund equity.

The Statement of Revenues and Expenditures, Budget and Actual is presented for the funds which have legally adopted annual budgets. Those funds are: General Fund, Bass Museum Special Revenue Fund, Resort Tax Special Revenue Fund, Miami Beach Redevelopment Agency (a blended component unit) Special Revenue Fund and Debt Service Fund, and General Obligation Debt Service Fund. Funds and Grants that have multi-year project budgets are not presented in the statements.

There was one supplemental budgetary appropriation during fiscal year ended September 30, 2001.

For the year ended September 30, 2001, expenditures exceeded appropriations in the Miami Beach Redevelopment Agency Special Revenue Fund in the economic environment category by \$6,683,932. These expenditures were funded by resources not used for operating transfers.

E. Cash and Investments

The City maintains an accounting system in which substantially all cash and investments are recorded in a separate group of accounts. All such cash and investments are reflected as pooled cash and investments. Cash and investments consist of demand deposits with banks, United States Treasury Obligations, State or Municipal obligations, Commercial Paper, Money Market Funds, and Repurchase Agreements.

All investments are stated at cost, which approximates fair value. Interest income is allocated based upon the approximate proportionate balances of each fund's equity in pooled cash and investments.

The cash and investments for the retirement system are maintained in separate cash and investment balances. The retirement system investments are held in United States Treasury Obligations, loans guaranteed by Government agencies, General Obligation or Revenue Bonds issued by States and Municipalities, dividend paying stocks of domestic corporations, bonds, notes or other interest bearing obligations of domestic corporations, and shares and accounts of savings and loan associations. The investments are stated at fair value as determined by closing market prices at the end of the fiscal year.

For the purpose of the Statement of Cash Flows for the Proprietary Fund Types, cash and investments mean short term, highly liquid investments with an original maturity of three months or less.

Investments are recorded at fair value, except for those investments with remaining maturities of one year or less at the time of purchase are recorded at amortized cost. The City calculated the unrealized gain or loss for investments with remaining maturities of more than one year at the time of purchase and determined that the amount of net unrealized loss is immaterial for the fiscal year ended September 30, 2001. Thus, the City records all investments, except retirement system investments, at cost.

**CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2001 (Continued)**

F. Receivables

Following are the significant components of the receivables due to the City at September 30, 2001:

- i. Water, Sewer and Waste Fees - This amount represents the unpaid, billed charges for various fines and municipal services;
- ii. Fines and Assessments - This amount represents the unpaid, billed charges for various fines and assessments levied for violations of various City code provisions;
- iii. Notes Receivable - This amount represents amounts due as evidenced by loan agreements from two special revenue and one capital projects fund to outside entities;
- iv. Delinquent Taxes Receivable - This amount represents the amount of levied but uncollected delinquent property taxes outstanding at September 30, 2001;and
- v. Accrued Interest Receivable - This amount represents the interest earned but not collected on City investments at year end.

G. Due From and Due To Other Funds

During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets and service debt. To the extent that certain transactions between funds have not been paid or received as of September 30, balances of interfund amounts receivable or payable have been reflected. All amounts receivable from or payable to other funds are to be settled with expendable, available financial resources.

H. Inventories

Inventories are stated at cost. Cost is determined principally by the average cost method, which approximates the first-in, first-out method. Inventories are accounted for on the consumption basis. Fund balance has been reserved for the amount of inventories since they are not available for appropriation and expenditure as of September 30, 2001.

I. Fixed Assets

i. General Fixed Asset Account Group

The General Fixed Assets Account Group provides physical and dollar value accountability. Depreciation of General Fixed Assets is not recognized in the City's accounting system. The costs of purchasing or constructing by the various Governmental and Fiduciary funds are recorded as expenditures in those funds. These expenditures are capitalized in the general fixed assets account group at historical cost. Gifts or contributions of property received are recorded at their estimated fair market value at the time of receipt by the City. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs, gutters, streets and sidewalks, drainage systems and lighting systems are capitalized along with other general fixed assets. Interest costs on bond funds are capitalized into construction work in progress.

**CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2001 (Continued)**

ii. Proprietary Funds

The fixed assets recorded in these funds are recorded at historical cost or at valuations which approximate cost. Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings	30-60 years
Improvements	10-60 years
Equipment	2-20 years

J. Deferred Revenue

These amounts offset the balance of delinquent property taxes not collected within 45 days of year end and City billings for fines and assessments at September 30. Such amounts do not meet the revenue recognition criteria since they are measurable but not available.

K. Accrued Compensated Absences

The City accounts for compensated absences by accruing a liability for employees' compensation for future absences according to the guidelines of Governmental Accounting Standards Board (GASB) Statement No. 16, "Accounting for Compensated Absences".

The City's vacation and sick leave policies grant a specific number of days of vacation and sick leave with pay. In addition, these policies provide for paying a regular employee after a six-month probationary period for accumulated, unused vacation and sick leave upon termination up to a maximum of 2,088 hours. For certain employees, sick pay to be paid upon termination is limited to a maximum of one half of the amount accumulated. These hours are payable at the employee's current pay rate. The liability for this obligation is recorded in the General Long-Term Obligations account group since the nature of the liability will not require the use of available resources.

L. Long-Term Debt

Long-Term debt obligations, either General Obligation or Revenue Bonds, used to finance proprietary fund operations and payable from revenue of the proprietary funds are recorded in the applicable fund. General Obligation Bonds and other forms of Long-Term debt supported by general revenues are obligations of the City as a whole and not its individual constituent funds. Accordingly, such unmatured obligations of the City are accounted for in the General Long-Term Obligations Account Group.

M. Fund Balances

- i. Reserved Fund Balance - A fund balance reservation indicates that this portion of fund equity has been segregated for specific or legal purposes or is not otherwise available for appropriation;
- ii. Designated Fund Balance - A fund balance designation indicates that this portion of fund equity has been segregated based on tentative plans of the City; and
- iii. Undesignated Fund Balance - This portion of fund equity is available for any lawful use by the City.

**CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2001 (Continued)**

N. Property Taxes

Property values are assessed (levied) at fair market value (100%) by the Miami-Dade County Property Assessor as of January 1 of each year, at which time taxes become an enforceable lien on property. State of Florida Amendment #10 to the Florida Constitution known as "Save our Homes" limits assessment increases on homestead property to the lesser of 3% or the consumer price index. Tax bills are mailed in October and are payable upon receipt with discounts at the rate of 4% if paid in November, decreasing by 1% per month with no discount available if paid in the month of March. Taxes become delinquent on April 1 of the year following the year of assessment and State law provides for enforcement of collection of personal property taxes by seizure of the property or by the sale of the property or by the sale of interest bearing tax certificates to satisfy unpaid property taxes. The procedures result in the collection of essentially all taxes prior to June 30 of the year following the year of assessment.

O. Interfund Transfers

Following is a description of the four basic types of interfund transactions made during the year and the related accounting policies:

- i. Transactions for service rendered or facilities provided are recorded as revenue in the receiving fund and expenditures, either as internal charges or administrative fees in the disbursing fund;
- ii. Transactions to reimburse a fund for expenditures made by it for the benefit of another fund are recorded as expenditures in the disbursing fund and as a reduction of expenditures in the receiving fund;
- iii. Transactions which are recurring annual transfers between two or more budgetary funds are recorded as transfers in and out; and
- iv. Transactions recording equity contributions between funds: the receiving fund records such transactions as transfers in and additions to fund balances or, in the case of proprietary funds to a contribution account. The disbursing fund records the transaction as a transfer out and a reduction of fund balance or, in the case of proprietary fund, as a reduction of equity.

P. Encumbrances

Encumbrance accounting, under which purchase order commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the general and special revenue funds, capital project funds and expendable trust funds. Encumbrances outstanding at year-end are reported as reservations of fund balances, since they do not constitute expenditures or liabilities.

Q. Total Columns on Combined Statements

Total columns on the Combined Statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in aggregation of this data.

**CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2001 (Continued)**

R. Prepaid Expenditures/Expenses

Expenditures made for services that will benefit periods beyond September 30, 2001 are recorded as prepaid items and accordingly a portion of fund balance has been reserved to indicate that these funds are not available for appropriation.

S. Risk Management - Judgements and Claims

The City is exposed to various risks of loss from civil liability to other parties (automobile liability, general liability, police professional liability, public official liability); statutory workers' compensation benefits for injured employees; and the theft or accidental damage to City property (buildings and business contents). The City established an internal service Self-Insurance Fund to account for and fund the above risks.

The Self-Insurance Internal Service Fund pays for all claims and judgements made against the City for accidental losses for which the City is self-insured. The Fund pays the premium costs for insurance policies to protect the City's ultimate self-insured exposures. All-Risk property insurance (exclusive of windstorm coverage) provides coverage for losses to City buildings above various deductible amounts. There were no settlements in excess of applicable insurance for the past three years. During fiscal year 2001, there were no significant changes in insurance premiums except for property insurance. This change was due to increased cost for windstorm coverage.

The Fund derives revenue from all City departments through an allocation formula and from investment income earned on reserved funds. The required funding levels of reserves and future needs is determined by an annual actuarial report produced by an external actuarial firm. The City funds and reserves on an "occurrence" basis, reserving for anticipated and known claims when they occur, regardless of the ultimate date of payment or disposition.

The following are the changes in the funds' claims liability amount during fiscal year 2001 and 2000 respectively:

	<u>2001</u>	<u>2000</u>
Unpaid claims, beginning of year	\$ 13,332,000	\$ 16,596,000
Incurred claims (includes incurred but not reported claims)	4,567,000	973,000
Less: estimated claim payments	<u>4,188,000</u>	<u>4,237,000</u>
Unpaid claims, end of year	<u>\$ 13,711,000</u>	<u>\$ 13,332,000</u>

T. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's estimates.

2. Cash and Investments

All deposits are held in banking institutions approved by the State Treasurer of the State of Florida, to hold public funds. Under the Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", the State Treasurer requires all qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral equal to 50% to 125% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral

**CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2001 (Continued)**

(generally, United States governmental and agency securities, state or municipality government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280, Florida Statutes. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all cash and time deposits held by banks can be classified as Category 1 credit risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements", which means they are fully insured or collateralized with securities held by the City or by its agent in the City's name.

The City has adopted an ordinance designating the investments which are allowable for its cash management activities. The authorized investments include direct United States Treasury obligations, corporate bonds, state or municipal obligations, commercial paper and repurchase agreements. These investments are insured or registered, or the securities held by the City or its agent in the City's name.

The City's cash management investments at year end (including restricted cash and cash with paying agent) and the level of risk assumed by the City are shown below:

	Carrying Amount/ Fair Value	Risk Category
U.S. government agencies	\$ 100,900,842	1
Commercial paper	17,886,660	1
Money market funds	28,835,477	1
Repurchase agreements	<u>70,519,594</u>	1
Total City cash management investments	218,142,573	
City funds managed by others and cash	<u>172,591,386</u>	1
Total cash and investments	<u>\$ 390,733,959</u>	

The City has adopted ordinances which govern the investment of funds for all of the Employee's Retirement systems. These investments include United States Treasury obligations, loans guaranteed by government agencies, General Obligation or Revenue Bonds issued by states and municipalities, dividend paying stocks of domestic corporations, bonds, notes or other interest bearing obligations of domestic corporations, and shares and accounts of savings and loan associations.

As of September 30, 2001, the level of credit risk of the Plan's investments is in Category 1 as defined by the Governmental Accounting Standards Board Statement No. 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements", which includes investments that are insured or registered or securities held by the plan or its agent in the Plan's name. There are no investments, loans to or leases with parties related to the pension plan. There were no investments in any one company which individually exceeded 5% of the net assets available for plan benefits.

The investments of the Retirement Systems and the level of risk assumed are presented below:

	Carrying Amount/ Fair Value	Risk Category
Common stock	\$ 425,865,670	1
Corporate bonds	196,266,583	1
Money market	2,330,686	1
U. S. government securities	68,399,080	1
Short-term debt	7,126,801	1
Cash	<u>345,073</u>	1
Total cash and investments	<u>\$ 700,333,893</u>	

CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2001 (Continued)

The Miami Beach Visitor's and Convention Authority and the Miami Beach Health Facilities Authority, discretely presented component units, deposits were entirely covered by Federal Depository Insurance, a collateral pool held by the State Treasurer for the benefit of all public deposits in Florida.

3. Budgetary Statements

The accompanying Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Fund Types presents comparisons of the legally adopted budget (more fully described in Note 1) with actual data on a budgetary basis. The City has not adopted budgets for all of its special revenue funds because most were under a multi-year budget, except for the Bass Museum and Resort Tax Revenue Funds. The City has adopted a budget for the General Obligation Debt Service Fund. Since accounting principles applied for the purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of timing and entity differences in the excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources for the year ended September 30, 2001 is presented below:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (budgetary basis)	\$(1,593,254)	\$7,132,417	\$1,134,018
Adjustments:			
To adjust for current year encumbrances	2,837,608	132,232	
Excess of revenues and other financing sources over expenditures and other financing uses related to non-budgeted funds	<u> </u>	<u>5,003,730</u>	<u>268,259</u>
Excess of revenues and other financing sources over expenditures and other financing uses (GAAP basis)	<u>\$ 1,244,354</u>	<u>\$12,268,379</u>	<u>\$1,402,277</u>

4. Fixed Assets

A. The following are the changes in general fixed assets for the year ended September 30, 2001:

	Balance 10/1/00	Additions	Deletions	Balance 9/30/01
Land	\$ 88,477,248	\$ 1,970,000	\$	\$ 90,447,248
Buildings	31,779,437			31,779,437
Permanent improvements	64,746,152			64,746,152
Furniture and fixtures	1,148,986	94,137	166,888	1,076,235
Equipment	3,631,877	521,240	325,230	3,827,887
Construction in progress	<u>111,396,292</u>	<u>12,095,029</u>	<u>475,385</u>	<u>123,015,936</u>
	<u>\$301,179,992</u>	<u>\$14,680,406</u>	<u>\$ 967,503</u>	<u>\$314,892,895</u>

**CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2001 (Continued)**

B. A summary of the proprietary fund types' fixed assets at September 30, 2001, follows:

	Balance 10/1/00	Additions	Deletions	Balance 09/30/01
Mains and lines	\$ 38,602,963	\$ 238,819	\$	\$ 38,841,782
Land	23,118,651			23,118,651
Buildings and structures	183,355,499	434,337		183,789,836
Meters and hydrants	11,181,820	566,576		11,748,396
Furniture, equipment and vehicles	56,370,902	8,992,444	2,311,485	63,051,861
Improvements other than buildings	1,679,186			1,679,186
	314,289,021	10,252,176	2,311,485	322,229,712
Less accumulated depreciation	108,940,461	11,136,662	2,223,633	117,853,490
	205,348,560	(884,486)	87,852	204,376,222
Construction in progress	69,990,798	19,927,816	810,735	89,107,879
Net property, plant and equipment	<u>\$275,339,358</u>	<u>\$19,043,330</u>	<u>\$898,587</u>	<u>\$293,464,357</u>

5. Employee Retirement

A. Retirement System For General Employees

i. Plan Description

The Retirement System for General Employees is a Single Employer Defined Benefit Pension Plan that covers all civil service employees of the City except for Policemen and Firemen as established by City Ordinance #1901. This Plan covers 512 active employees and 939 retirees and beneficiaries as of the last actuary report. The City's payroll for employees covered by the System for the year ended September 30, 2001, was \$20,132,400 out of \$84,996,462 total payroll cost for the City.

Generally, employee members of the System vest after 5 years. Members are eligible to retire at age 50 at a benefit of 3% of final average salary based on the highest two years salary for the first 15 years of service and 4% of final average salary thereafter to a maximum of 90%. However, certain employees who are members of the labor union "AFSCME" employed on or after April 30, 1993, employees in the classification of "Other" (non-unionized classified employees), employed on or after August 1, 1993, and employees who are members of the labor union "CWA" employed on or after February 21, 1994, vest after 10 years of service and are eligible to retire at age 60 with 10 years creditable service at a benefit level of 3% of their highest three years' average salary times years of service to a maximum of 80%. These benefit provisions and all other requirements are established by City Ordinance.

City employee members are required to contribute 10% of salary.

ii. Funding Policy, Contributions Required and Contributions Made

The Plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate

**CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2001 (Continued)**

sufficient assets to pay benefits when due. Level percentage of payroll employer contribution rates are determined using the entry age actuarial cost method. The Plan also uses the level percentage of payroll method to amortize any unfunded actuarial accrued liability over a 15-year period.

Effective October 1, 1996, the asset valuation method was changed to the difference between actual investment return and expected return and will be recognized over 5 years.

Significant actuarial assumptions used include: (1) investment return of 8.5%, net after administrative expenses; (2) 1983 Group Annuity Mortality Table; for those who have terminated employment before October 1, 1993, rates are based on the Plan's own experience; (3) for retirement, once a member is eligible to retire, a probability of retirement based on age is used (effective October 1, 1996); (4) projected salary increases of 6% per year; (5) projected inflation at 4.0%; and (6) post retirement benefit has a cost of living increases of 2.5% per year compounded annually to benefit recipients retired on October 1, 2000 or earlier, and those retired after October 1, 2000 receive a 1.5% increase per year not compounded annually.

The Plan uses: (a) entry age for the actuarial cost method; (b) 32 years for the equivalent single amortization period; (c) level dollar method for the amortization method; d) 15 years for the amortization period; and (e) 5 years smoothed market for the actuarial asset valuation method.

For the year ended September 30, 2001, the City was not required to make any contributions to the Plan in accordance with actuarially determined requirements computed through an actuarial valuation performed as of October 1, 2000. For the year ended September 30, 2001, the employees contributed \$2,013, 240 which represents 10.3%, of covered payroll.

iii. Trend Information

Trend information indicates the progress made in accumulating sufficient assets to pay benefits when due. An analysis of funding progress for the fiscal year ended September 30, 2001, for the Retirement System for General Employees is as follows:

<u>Year Ended September 30,</u>	<u>Annual Required Contribution - City</u>	<u>Percentage Contributed</u>
1999	\$ 1,008,615	100%
2000	-	N/A
2001	-	N/A

**CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2001 (Continued)**

iv. Funding Status and Progress

The following schedule describes the funding progress for the Retirement System for General Employees for the fiscal year ended September 30, 2001 (dollars in millions):

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL As % of Covered Payroll (b - a)/c
10/1/98	\$ 207.1	\$ 181.7	\$ (25.4)	114.0 %	\$ 19.1	(132.8)%
10/1/99	237.3	200.8	(36.5)	118.2	19.4	(188.8)
10/1/00	250.3	212.1	(38.2)	118.0	19.5	(195.8)

B. Retirement System For Non-Civil Service Employees

i. Plan Description

The Retirement System for Non-Civil Service Employees is a Single Employer Defined Benefit Pension Plan that covers all non-civil service employees of the City except for police and fire persons, as established by City Ordinance #88-2603. This Plan was established April 1, 1988 and covers 107 active employees and 144 retirees and beneficiaries, as of the last actuary report. The City's payroll for employees covered by the System for the year ended September 30, 2001 was \$6,787,930 out of \$84,996,462 total payroll cost of the City.

Employee members of the System prior to October 18, 1992 vest after 5 years. Members are eligible to retire at age 50 with 5 years creditable service at a benefit of 4% for years earned prior to October 18, 1992, and 3% for years thereafter times the final average salary, to a maximum of 80%. New employee members of the System on or after October 18, 1992 vest after 10 years. Members are eligible to retire at age 60 with 10 years creditable service at a benefit of 3% of final 3 years average salary times years of service to a maximum of 80%. These benefit provisions and all other requirements are established by City Ordinance.

City employee members are required to contribute 10% of salary.

ii. Funding Policy, Contributions Required and Contributions Made

The Plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. Level percentage of payroll employer contribution rates are determined using the entry age actuarial cost method. There is no unfunded actuarial accrued liability at October 1, 2000, as of the latest actuarial report.

Significant actuarial assumptions used in the latest actuarial report include: (1) investment return of 9.0%, net after administrative expenses; (2) 1983 Group Annuity Mortality Table for males and females (effective October 1, 1996); (3) for retirement, a probability of retirement based on age, once a member is eligible to retire, is used (effective October 1, 1996); (4) projected salary increases of 6.0% per year; (5) post retirement benefit has a cost of living increase of 1.5% per year compounded annually and (6) projected inflation of 4% per year.

**CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2001 (Continued)**

The Plan uses: (a) entry age for the actuarial cost method and (b) a 5 year smoothed market for the actuarial asset valuation method.

For the year ended September 30, 2001, the City was not required to make any contributions to the Plan in accordance with actuarially determined requirements computed through an actuarial valuation performed as of October 1, 2000. For the year ended September 30, 2001, the employees contributed \$678,793, which represents 10.7% of covered payroll.

iii. Trend Information

Trend information indicates the progress made in accumulating sufficient assets to pay benefits when due. An analysis of funding progress for the fiscal year ended September 30, 2001, for the Retirement System for Non-Civil Service Employees is as follows:

<u>Year Ended September 30,</u>	<u>Annual Required Contribution - City</u>	<u>Percentage Contributed</u>
1999	\$ 285,305	100%
2000	666,897	100
2001	-	N/A

iv. Funding Status and Progress

The following schedule describes the funding progress for the Retirement System for Non-Civil Service Employees for the fiscal year ended September 30, 2001 (dollars in millions):

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) - Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b - a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL As % of Covered Payroll (b - a)/c</u>
10/1/98	\$ 59.7	\$ 59.1	\$ (0.5)	101.0%	\$ 5.9	(9.3) %
10/1/99	67.9	62.6	(5.3)	108.5	6.1	(88.0)
10/1/00	76.5	65.9	(10.6)	116.2	6.3	(167.5)

C. Retirement System for Firefighters and Police Officers

i. Plan Description

The Retirement System for Firefighters and Police Officers are Single Employer Defined Benefit Pension Plans that cover substantially all Police and Fire persons of the City, as established by Chapter 23414, Laws of Florida, Special Acts of 1945 (as amended through November 2, 2000). The Plan covers 486 active employees and 463 retirees and beneficiaries. The City's payroll for employees covered by the System for the year ended September 30, 2001 was \$35,778,780 out of a \$84,996,462 total payroll cost for the City.

Employee members of the System prior to May 19, 1993 vest upon attaining 10 years of creditable service. Members are eligible to retire at age 50 at a benefit of 3% of final average salary for the first 15 years and 4% thereafter, based on the highest 2 years salary times years of

**CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2001 (Continued)**

service to a maximum of 90% of average monthly salary. Employee members are required to contribute 10 percent of salary. New employee members on or after May 19, 1993 will receive the same benefit levels except that retirement age will be 55, and the maximum benefit will be 80% of average monthly salary based on the three highest paid years' salary. The benefit provisions and all other requirements are established by legal requirement.

ii. Funding Policy, Contributions Required and Contributions Made

The City of Miami Beach, Florida, (the "Employer") is required to contribute an actuarially determined amount that, when combined with members' contributions, will fully provide for all benefits as they become payable. Members of the Plan contribute 10% of their salary reduced by any amount contributed under the Base System.

The contributions to the Plan for the year ended September 30, 2001, of \$3,393,115 were made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of October 1, 2000. These contributions were made by the employees of the City and were 10% of current covered payroll.

Significant actuarial assumptions used include: (1) investment return of 8.5%; (2) projected salary increases of 4.53%-10.17% including 3.5% for inflation; and (3) post retirement benefit has a cost of living increases of 2.5% per year compounded annually.

The Plan uses: (a) frozen entry age for the actuarial cost method; (b) 40 years for the remaining amortization period; (c) level dollar open for the amortization method; and (d) 5 year phase-in for the market asset valuation method.

iii. Trend Information

Trend information indicates the progress made in accumulating sufficient assets to pay benefits when due. An analysis of funding progress for the fiscal year ended September 30, 2001, for the Retirement System for Fire Fighters and Police Officers is as follows:

<u>Year Ended September 30,</u>	<u>Annual Required Contribution - City</u>	<u>Percentage Contributed</u>
1999	\$ 2,364,392	100%
2000	-	N/A
2001	733,425	100

**CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2001 (Continued)**

iv. Funding Status and Progress

The following schedule describes the funding progress for the Retirement System for Police and Fire for the fiscal year ended September 30, 2001 (dollars in millions):

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL As % of Covered Payroll (b - a)/c
10/1/98	\$ 369.1	\$ 369.1	\$ 0	100.0%	\$ 27.9	0%
10/1/99	383.1	383.1	0	100.0	29.3	0
10/1/00	398.7	389.0	9.7	102.5	28.0	34.0

D. Defined Contribution Plan-401A

The City offers all new non-civil service and civilian employees the option to participate in a defined contribution (401A) plan instead of the amended defined benefit plans, discussed previously, which took effect for new non-civil service employees on October 17, 1992 and on various dates for civilian employees. The two 401A plans which are available to choose from are : (1) Nationwide Retirement Solutions (formerly Public Employee's Benefits Services Corporation – PEBSCO), and (2) ICMA Retirement Corporation. The employee is required to contribute 10% of his salary and the City matches with 10%. The 401A plan of each employee is the immediate property of the employee and investment of these funds is directed by the employee amongst choices of investment vehicles offered by two plan administrators. For the fiscal year ended September 30, 2001, the City contributed \$1,373,666 to employee 401A plans covering 381 employees. The City's contribution represents \$13,773,664 of covered payroll out of \$84,996,462 total payroll cost of the City.

E. Post Retirement Benefits

The City paid \$3,035,380 for health, life and dental insurance coverage for its 887 participating retirees and beneficiaries during the fiscal year ended September, 30,2001. Under City ordinances, retirees are entitled to 50% of the cost of health, life and dental insurance to be paid by the City. These expenditures are considered current costs and no provision for future funding has been made.

F. Financial Statements

Each of the Retirement Systems are audited separately. Complete financial statements can be obtained at the following offices:

City of Miami Beach
Retirement System for General Employees
1700 Convention Center Drive
Miami Beach, Florida 33139

City of Miami Beach
Retirement System for Non-Civil
Service Employees
1700 Convention Center Drive
Miami Beach, Florida 33139

City of Miami Beach
Retirement System for Firefighters and
Police Officers
605 Lincoln Road, Suite 400
Miami Beach, Florida 33139

**CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2001 (Continued)**

6. Long-Term Obligations

A. General Long-Term Obligations

The City had the following changes in the General Long-Term obligations account group for the year ended September 30, 2001:

<u>Indebtedness</u>	<u>Balance 10/1/00</u>	<u>Additions</u>	<u>Repayments</u>	<u>Balance 9/30/01</u>
General Obligation Bonds	\$ 57,535,000	\$	\$ 6,550,000	\$ 50,985,000
Special Obligation Bonds	200,760,000	47,145,000	38,402,000	209,503,000
Due to developer	9,914,740		687,007	9,227,733
Accrued compensated absences	9,197,076	1,832,396	1,015,495	10,013,977
Other obligations	3,622,739		332,478	3,290,261
	<u>\$ 281,029,555</u>	<u>\$ 48,977,396</u>	<u>\$ 46,986,980</u>	<u>\$ 283,019,971</u>

i. General Obligation Bonds

The General Obligation Bonds outstanding at September 30, 2001 consist of the following:

<u>Issue Name</u>	<u>Interest Rates</u>	<u>Year Issued</u>	<u>Final Maturity</u>	<u>Original Issue</u>	<u>Outstanding 9/30/01</u>
General Obligations	3.30-5.30	1992	2003	\$ 54,360,000	\$ 8,885,000
General Obligations	3.75-6.35	1987	2002	3,000,000	200,000
General Obligations	3.70-4.50	1997	2007	15,000,000	11,900,000
1985B Gulf Breeze	Variable	2000	2013	15,910,000	15,910,000
1985E Gulf Breeze	Variable	2000	2020	14,090,000	14,090,000
Total General Obligation Bonds				<u>\$102,360,000</u>	<u>\$ 50,985,000</u>

On October 1, 1997, the City issued \$15,000,000 in General Obligation Bonds, Series 1996. The bonds will be repaid solely from ad-valorem taxes assessed, levied and collected. They are registered transcripts, and insured. The bonds were issued to construct, renovate and rebuild parks and recreation facilities within the City's park system.

In fiscal year 2000, the City executed two loan agreements with the City of Gulf Breeze, Florida, Local Government Loan Pool Program to borrow \$30,000,000 on variable rate notes. The Gulf Breeze VDRS Series 1985B, in the amount of \$15,910,000, principal is to be repaid in thirteen annual installments commencing December 1, 2001 with interest paid semi-annually. The Gulf Breeze VDRS Series 1985E, in the amount of \$14,090,000, principal is to be repaid in seven annual installments commencing December 1, 2014 with interest paid semi-annually. The funds from the loan will be used to expand, renovate and improve fire stations and related facilities; improve recreation and maintenance facilities for parks and beaches; and, improve neighborhood infrastructure and related facilities.

**CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2001 (Continued)**

ii. Special Obligation Bond Summary

As of September 30, 2001, the outstanding principal of special obligation bond issues and repayment sources were as follows:

<u>Issue</u>	<u>Rate of Interest</u>	<u>Repayment Source</u>	<u>Total Outstanding Principal</u>
1996 Resort Tax Revenue Refunding Bonds	3.6-5.5	2% Resort Tax	\$ 3,685,000
1985B Gulf Breeze Fixed rate	2.95-4.875	Annual Appropriation	2,200,000
1985C Gulf Breeze Fixed rate	2.96-4.970	Annual Appropriation	22,445,000
1985E Gulf Breeze Fixed rate	2.96-5.18	Annual Appropriation	22,500,000
1994 Sunshine State VRDS	Variable	Annual Appropriation	6,678,000
1994 Pension Obligation Bonds	6.62-8.6	Annual Appropriation	48,485,000
1989 Tax Increment Revenue Bonds	9.125	RDA Tax Increment Revenue	2,825,000
1993 Tax Increment Revenue Bonds	3.25-5.875	RDA Tax Increment Revenue	21,745,000
1996 Tax Increment Revenue Bonds	4.00-8.95	RDA Tax Increment Revenue	42,160,000
1998 Tax Increment Revenue Bonds	3.6-7.0	RDA Tax Increment Revenue	<u>36,780,000</u>
Total Special Obligation Bonds			<u>\$209,503,000</u>

On July 1, 1998, the Miami Beach Redevelopment Agency issued \$29,105,000 (Series 1998A) and \$9,135,000 (Series 1998B) in tax increment bonds. These bonds are secured by a lien on and pledge of the Pledged Funds, which include: (a) the Net Trust Fund Revenues received by the Agency from the Redevelopment Area; (b) the portion of the proceeds of the City's municipal resort tax levied and collected by the City and received by the Trustee; and (c) moneys and investments in the funds and accounts created under the resolution. The Series 1998A bonds were issued with interest rates of 6.7 percent to 7.0 percent payable semiannually on each June 1 and December 1, and will mature serially through December 1, 2022. The Series 1998B bonds were issued with interest rates of 3.6 percent to 5.2 percent payable semiannually on each June 1 and December 1, and will mature serially through December 1, 2022. The bonds are subject to a trust indenture which requires that annual debt service requirements be fully funded upon receipt of Trust Fund Revenue and Supplemental Revenue, and that any shortage shall be funded based on the Supplemental Revenue Resolution.

Loan Pool

On August 1, 2001, the City executed three loan agreements with the City of Gulf Breeze, Florida, Local Government Pool to borrow \$47,145,000 on fixed rate notes. The Gulf Breeze Series B, in the amount of \$2,200,000, principal is to be repaid in fourteen annual installments commencing December 1, 2002 with interest paid semi-annually. The Gulf Breeze Series C, in the amount of \$22,445,000, principal is to be repaid in fourteen annual installments commencing December 1, 2002 with interest paid semi-annually. The Gulf Breeze Series E, in the amount of \$22,500,000, principal is to be repaid in nineteen annual installments commencing December 1, 2002 with interest paid semi-annually. \$17,115,000 was used to repay the outstanding balance of the City Gulf Breeze, Florida Local Government Loan Program Series 1985 C variable rate notes.

**CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2001 (Continued)**

\$14,977,000 was used to repay a portion of the outstanding principal from the Sunshine State Loan. The remaining funds will be used for the renovation and improvement of two City owned golf courses and their related facilities.

iii. Due to Developer

Amount classified as "due to developer" represents the fair value of the cost that the Agency is legally required to perform based on a settlement agreement. The settlement agreement calls for specific performance by the Agency, which includes, but not limited to, the following:

- a. Provide an additional 485 parking spaces for both the south and north parcels of the property. In addition, provide for laundry and bathroom facilities on the north parcel of the property;
- b. Provide valet service for the Marina during construction on the north parcel of the property;
- c. Responsible for the seawall along the property;
- d. Release a utility easement in favor of the City across the "Diamond C Parcel";
- e. Responsible for improving the "Alaska Parcel" for temporary parking for the construction on the north parcel of the property;
- f. Provide for use of sidewalk and the westernmost lane of Alton Road to be used as staging areas for construction on the north parcel of the property; and
- g. Remove a pump station on the north parcel of the property.

As of September 30, 2001, the estimated cost of such performance as per the settlement agreement was approximately \$9,227,733.

iv. Other Obligations

On June 23, 2000, the City issued a Non-ad Valorem Revenue Note, Series 2000, to Florida Power & Light Company ("FPL") in the amount of \$3,610,739 with an annual interest rate not to exceed 4.75 percent. The note is for a ten year period and interest and principal payments of \$248,857 are due on the first day of June and December of each year until June 1, 2009. The City issued the note to finance a contribution to aid construction of an underground electric transmission line within the City limits. The aggregate maturities of long-term obligation under this note are as follows:

Year Ending <u>September, 30</u>	Long-term <u>Obligation</u>
2002	\$ 345,943
2003	362,571
2004	379,997
2005	398,261
2006	417,403
2007 and thereafter	<u>1,376,486</u>
	<u>\$ 3,280,661</u>

CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2001 (Continued)

- v. On March 24, 2000, the City issued a Subordinate Resort Tax Revenue Note, Series 2000, to a financial institution in the amount of \$1,294,000 to be used as a line of credit, with an annual interest rate of 4.6%. The note is for a five year period and will be repaid by using one twelfth of the additional 1% Resort Tax revenue. Principal payments are due the first day of December of each year, commencing on December 1, 2000 and ending on December 1, 2003, in the amount of 20% of outstanding principal amount. Interest payments on the outstanding principal balance are due semiannually, which commenced on June 1, 2000. The City may draw from the \$1,294,000 in increments of \$25,000, with a minimum of \$100,000 per draw in order to finance a beautification project. As of September 30, 2001, the City was indebted for \$9,600.

B. Debt Service Requirements to Maturity

The annual requirements to amortize all General Long-Term Obligations excluding accrued compensated absences, developer and loans for capital improvements outstanding at September 30, 2001 including interest payments of \$197,726,655 are as follows:

Year Ending September, 30	General Long-Term Obligations		
	General Obligations	Special Obligations	Total
2002	\$ 9,742,435	\$ 19,674,873	\$ 29,417,308
2003	9,518,801	22,190,957	31,709,758
2004	7,366,814	21,515,488	28,882,302
2005	5,498,258	21,240,484	26,738,742
2006	3,023,783	19,744,435	22,768,218
2007-2011	12,894,114	93,566,685	106,460,799
2012-2016	12,294,484	94,146,233	106,440,717
2017-2021	12,183,222	74,879,581	87,062,803
2021-2023		<u>18,734,008</u>	<u>18,734,008</u>
Principal & Interest	72,521,911	385,692,744	458,214,655
Less: Interest	<u>21,536,911</u>	<u>176,189,744</u>	<u>197,726,655</u>
Principal Only	<u>\$ 50,985,000</u>	<u>\$ 209,503,000</u>	<u>\$260,488,000</u>

The debt limit of the City is specified in the City's Charter as 15% of the assessed taxable valuation (excluding Tax Increment Revenue Bonds):

Taxable assessed valuation	\$ 8,218,880,338
Percentage applicable	<u>15%</u>
Debt limit	1,232,832,051
General Obligation Bonds outstanding at September 30, 2001	<u>(50,985,000)</u>
Legal debt margin	<u>\$ 1,181,847,051</u>

CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2001 (Continued)

C. Enterprise Fund Indebtedness

i. Parking Fund

The Parking Revenue Fund had the following changes in its current and Long-Term debt outstanding for the year ended September 30, 2001:

<u>Indebtedness</u>	<u>Balance</u> <u>10/1/00</u>	<u>Debt</u> <u>Repaid</u>	<u>Balance</u> <u>9/30/01</u>
Special Obligation Bonds	<u>\$ 28,585,000</u>	<u>\$ 765,000</u>	<u>\$ 27,820,000</u>

Parking Revenue Fund indebtedness at September 30, 2001, is comprised of the following issued indebtedness:

\$10,795,000	1996 Special Obligation Refunding Bonds due in annual installments through 2009: interest at 3.2% and 5.0%	<u>\$ 6,970,000</u>
\$21,000,000	1997 Special Obligation Bonds due in annual installments through 2022: interest at 4.00% - 5.125%	<u>\$ 20,850,000</u>

The aggregate maturities of Long-Term Debt as of September 30, 2001, are as follows:

<u>Year Ending</u> <u>September 30</u>	<u>Bonded Debt</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	\$ 800,000	\$ 1,380,962	\$ 2,180,962
2003	830,000	1,346,871	2,176,871
2004	870,000	1,310,296	2,180,296
2005	905,000	1,271,086	2,176,086
2006	950,000	1,229,401	2,179,401
2007-2011	5,475,000	5,416,996	10,891,996
2012-2016	6,980,000	3,911,656	10,891,656
2017-2021	8,940,000	1,950,576	10,890,576
2022	<u>2,070,000</u>	<u>106,088</u>	<u>2,176,088</u>
	<u>27,820,000</u>	<u>17,923,932</u>	<u>45,743,932</u>
Less: Unamortized Bond Discount	<u>804,708</u>		<u>804,708</u>
	<u>\$ 27,015,292</u>	<u>\$ 17,923,932</u>	<u>\$ 44,939,224</u>

The City is obligated under capital leases for parking meters, whose leases expire on December 18, 2003, February 12, 2004, February 18, 2004, and August 25, 2004, respectively. At September 30, 2001, the gross amount of parking meters and related accumulated amortization recorded under capital leases are \$2,560,169 and \$362,930 respectively. Amortization of these assets held under capital leases is included with depreciation expense.

<u>Year Ending</u> <u>September 30</u>	<u>Capital</u> <u>Leases</u>
2002	\$ 582,750
2003	582,750
2004	<u>244,335</u>
Total minimum lease payments	1,409,835
Less: amount representing interest	<u>89,369</u>
Present value of net minimum capital lease payments	<u>\$ 1,320,466</u>

CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2001 (Continued)

ii. Water and Sewer Fund

The Water & Sewer Fund issued \$59,060,000 in Water and Sewer Revenue Bonds, Series 1995, on June 8, 1995. The bonds will be repaid solely from pledged revenues of the Water and Sewer system. They are registered transcripts and insured. The bonds were issued to construct various improvements and extensions to the Water and Sewer utility. Indebtedness of the Water and Sewer Fund at September 30, 2001 is as follows:

\$59,060,000 1995 Revenue Bonds Due in annual installments
through 2015: Interest at 4.20% - 5.40% \$ 46,850,000

The Water & Sewer Fund issued \$54,310,000 in Water and Sewer Revenue Bonds, Series 2001, on September 1, 2001. The bonds will be repaid solely from pledged revenues of the Water and Sewer system. They are registered transcripts and insured. The bonds were issued to construct various improvements and extensions to the Water and Sewer utility. Indebtedness of the Water and Sewer Fund at September 30, 2001 is as follows:

\$54,310,000 2000 Revenue Bonds Due in annual installments
through 2030: Interest at 5.00% - 5.75% \$ 54,310,000

The aggregate maturities of Long-term debt as of September 30, 2001 are as follows:

Year Ending September 30	Bonded Debt		
	Principal	Interest	Total
2002	\$ 2,370,000	\$ 5,416,697	\$ 7,786,697
2003	2,480,000	5,304,123	7,784,123
2004	2,605,000	5,183,222	7,788,222
2005	2,735,000	5,052,973	7,787,973
2006	2,875,000	4,913,488	7,788,488
2007-2011	16,800,000	22,132,206	38,932,206
2012-2016	19,395,000	17,107,575	36,502,575
2017-2021	14,220,000	12,605,012	26,825,012
2022-2026	18,675,000	8,150,388	26,825,388
2027-2030	19,005,000	2,456,975	21,461,975
	<u>101,160,000</u>	<u>88,322,659</u>	<u>189,482,659</u>
Less: Unamortized Bond Discount:	<u>1,415,812</u>		<u>1,415,812</u>
	<u>\$ 99,744,188</u>	<u>\$ 88,322,659</u>	<u>\$188,066,847</u>

ii. Storm Water

The Storm Water Fund issued \$52,170,000 in Storm Water Revenue Bonds, Series 2000, on November 7, 2000. The bonds will be repaid solely from pledged revenues of the Storm Water System. They are registered transcripts and insured. The bonds were issued to construct certain improvements to the Storm Water utility. Indebtedness of the Storm Water Fund at September 30, 2001 is as follows:

\$52,170,000 2000 Storm Water Revenue Bonds Due in annual installments through 2030:
Interest at 4.5%-5.75%

**CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2001 (Continued)**

The aggregate maturities of Long-term debt as of September 30, 2001 are as follows:

Year Ending September 30	Bonded Debt		
	Principal	Interest	Total
2002	\$ 835,000	\$ 2,736,421	\$ 3,571,421
2003	870,000	2,698,846	3,568,846
2004	910,000	2,659,696	3,569,696
2005	950,000	2,618,747	3,568,747
2006	995,000	2,575,996	3,570,996
2007-2011	5,695,000	12,155,961	17,850,961
2012-2016	7,320,000	10,529,469	17,849,469
2017-2021	9,615,000	8,228,069	17,843,069
2022-2026	12,430,000	5,414,107	17,844,107
2027-2030	<u>12,550,000</u>	<u>1,730,750</u>	<u>14,280,750</u>
	52,170,000	51,348,062	103,518,062
Less: Unamortized Bond Discount:	<u>645,472</u>		<u>645,472</u>
	<u>\$51,524,528</u>	<u>\$51,348,062</u>	<u>\$102,872,590</u>

7. Interfund Payables and Receivables

Interfund payables and receivables at September 30, 2001 are as follows:

<u>Fund</u>	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 1,605,145	\$ 3,218
Special Revenue Funds:		
Resort Tax Revenue		734,394
Community Development Block Grants	6,181	138,438
Special Districts and Services		700,000
Warehouse Operations Fund		125,000
Miami Beach Redevelopment Agency	180,528	
Bass Museum		4,036
Other Special Revenue	<u>40,933</u>	<u>120,924</u>
Total Special Revenue Funds	<u>227,642</u>	<u>1,822,792</u>
Capital Projects Fund		<u>98,452</u>
Enterprise Funds:		
Water & Sewer	125,000	
Redevelopment Agency - Leasing		<u>44,665</u>
Total Enterprise Funds	<u>125,000</u>	<u>44,665</u>
Internal Service Funds:		
Central Services	11,217	
Communications	<u>123</u>	
Total Internal Service Funds	<u>11,340</u>	
Total Receivables and Payables	<u>\$ 1,969,127</u>	<u>\$ 1,969,127</u>

**CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2001 (Continued)**

8. Operating Transfers

During the year operating transfers were made between the governmental and proprietary fund types. They were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds	\$71,749,238	\$70,014,879
Proprietary Funds	<u>381,542</u>	<u>2,115,901</u>
Total Operating Transfers	<u>\$72,130,780</u>	<u>\$72,130,780</u>

9. Tenant Leases

A. Shop Leases

The Miami Beach Redevelopment Agency serves as the lessor for tenants leasing various retail facilities. The tenant leases are considered operating leases which expire at various dates through fiscal year 2014. Future minimum lease receivables under the operating leases at September 30, 2001, are as follows:

<u>September 30</u>	<u>Operating Leases</u>
2002	\$ 658,824
2003	658,824
2004	658,824
2005	658,824
2006	658,824
2007 and thereafter	<u>3,588,013</u>
	<u>\$6,882,133</u>

B. Ground Lease

The Miami Beach Redevelopment Agency is the lessor in an agreement with a development company in which the Miami Beach Redevelopment Agency leases the land on which the Loews Hotel is located. The lease is an operating lease which commenced on December 24, 1998, and expires on December 24, 2098. Future minimum lease receivables under the operating leases at September 30, 2001, are as follows:

<u>September 30</u>	<u>Operating Leases</u>
2002	\$ 500,000
2003	500,000
2004	500,000
2005	500,000
2006	500,000
2007 and thereafter	<u>46,000,000</u>
	<u>\$48,500,000</u>

**CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2001 (Continued)**

10. Fund Equity

A. Reservations/Designations of Fund Balance include the following:

- i. Reserve for Inventories - This amount is equal to the amount of inventory shown in assets;
- ii. Reserve for Employees' Pension Benefits - This is the amount of the equity in the pension system that is to be used only for retiree benefits;
- iii. Reserve for Debt Service - This is the amount of fund equity in the Debt Service Funds which is set aside solely for the repayment of outstanding debt;
- iv. Reserve for Prepaid - This represents an expenditure for a portion of a lease attributable to periods subsequent to September 30, 2001;
- v. Reserve for Encumbrances - This is an amount equal to the outstanding purchase orders for goods and services at year end;
- vi. Reserve for Capital Improvements - This amount is the funds appropriated to capital projects or restricted to that use by City ordinance;
- vii. Reserve for Notes Receivable - This amount is equal to the amount of notes receivable shown in assets that will not be collected in the current period; and
- viii. Designated for Contingencies - This is the amount of fund equity in the general fund which is set aside solely for emergencies.

B. Reservation of Retained Earnings includes the following item:

Reserved Per Revenue Bond Indentures - The required debt service sinking fund and reserve accounts held by a Trustee or by the City in accordance with requirements of the bond issue, are reserved in the Parking Revenue and Water and Sewer Funds.

11. Segment Information for Enterprise Funds

The City maintains five Enterprise Funds and the Agency maintains two Enterprise Funds which provide services for storm water, water and sewer, sanitation, parking, retail leasing, as well as a convention center. Segment information for the individual funds as of and for the year ended September 30, 2001 is as follows:

CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2001

	Storm Water Utility Fund	Water and Sewer Fund	Parking System Fund	Sanitation Fund	Convention Center Complex Fund	Miami Beach Redevelopment Agency's Parking Fund	Miami Beach Redevelopment Agency's Leasing Fund	Total
Operating Revenues	\$ 3,551,549	\$ 43,969,638	\$ 20,442,131	\$ 5,375,166	\$ 11,935,898	\$ 1,950,444	\$ 522,636	\$ 87,747,462
Depreciation	92,308	1,552,208	1,633,409	145,248	2,767,229	391,726	29,484	6,611,612
Amortization	47,514	157,302	161,015					365,831
Operating Income (Loss)	1,700,938	7,606,664	8,687,329	743,984	(1,728,478)	495,311	452,184	17,957,932
Operating Transfers In (Out)	(644,512)	(279,004)	(1,069,485)	328,114				(1,664,887)
Net Income (Loss)	1,562,267	7,629,563	8,147,258	1,096,657	(1,655,841)	495,311	452,184	17,727,399
Depreciation on Capital Contributions	12,930	1,122,755	410,099	19,418	1,628,789	384,441	28,936	3,607,368
Additions in Current Capital Contributions						23,120	1,740	24,860
Fixed Asset Additions (Reductions), Net	955,687	9,184,926	(59,896)	687,976	4,254,232	30,807	2,319	15,056,051
Total Assets	59,701,723	176,908,927	88,371,012	3,643,328	148,248,938	14,472,863	1,872,470	493,219,261
Net Working Capital	1,873,742	7,648,348	20,788,542	1,238,021	2,330,783	619,851	789,666	35,288,953
Long Term Debt	50,689,528	97,374,188	27,009,974					175,073,690
Total Fund Equity	7,818,808	68,187,551	58,735,168	3,006,864	145,349,007	14,400,277	1,775,575	299,273,250

**CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2001 (Continued)**

12. Individual Fund Deficits in Fund Balance/Retained Earnings

The following funds had a deficit at September 30, 2001 in fund balance/retained earnings:

- A. Special Districts and Services Fund - This fund had a deficit fund balance of \$698,789. Management estimates that this deficit will be eliminated over the next two fiscal years by increased funding;
- B. Self-Insurance Fund - This fund had a deficit balance of \$4,299,902. Management estimates that this deficit will be eliminated over the next three fiscal years by increased funding.

13. Significant Commitments and Contingencies

- A. The City, in the normal course of operations, is a party to various other actions in which plaintiffs have alleged certain damages. In all cases, management does not believe the disposition of these matters will materially affect the financial position of the City.
- B. The City participates in a number of Federal and State assisted grant programs which are subject to financial and compliance audits. Audits for these programs are to be conducted at a future date, and the City expects the amount, if any, of the expenditures which may be disallowed by the granting agency to be immaterial.
- C. At September 30, 2001, the City had in process various uncompleted construction projects with remaining balances totaling \$30,233,737.
- D. The Agency has committed to provide the developers of two hotels certain incentives. The Request for Proposal originally called for a \$60 million incentive for which \$10 million was designated for the development of a hotel which requires African American majority ownership. The Agency issued \$108 million in bonds of which \$98 million has been spent for land acquired for both hotels, related hotel agreement negotiations, and construction of an 800 space parking facility for the hotels. The remaining \$10 million will be used to construct a boardwalk, sidewalk and streetscape improvements, the acquisition of property for development and construction of a cultural center facility. This commitment is in addition to the incentive to be provided to the developers.
- E. The City believes it is in compliance with all material terms of bond indenture agreements, contracts, and federal, state and local laws and regulations.

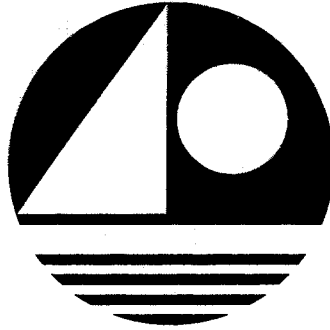
14. Reconciliation of Contributed Capital

	<u>Enterprise</u>	<u>Internal Service</u>
Beginning Contributed Capital	\$177,120,712	\$ 7,026,813
Additions	25,904	4,081,954
Reductions	<u>3,607,366</u>	<u>2,171,682</u>
Ending Contributed Capital	<u>\$173,539,250</u>	<u>\$ 8,936,085</u>

**CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2001 (Continued)**

15. New Accounting Pronouncement

Effective October 1, 2000, the City adopted GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions". In applying the "susceptible to accrual" concept to intergovernmental revenues pursuant to GASB Statement No. 33, expenditures or expenses should be recognized by the provider, and revenue should be recognized by the recipient when all eligibility requirements are met. Resources transmitted before all eligibility requirements are met should, under most circumstances, be reported as advances by the provider and deferred revenue by the recipient. Assets and liabilities should be recognized by the recipient and provider, respectively, when all eligibility requirements have been met or (for asset recognition) when resources are received, whichever is first. Additionally, GASB Statement No. 33 requires recognition of external capital contributions to proprietary funds as revenues, not contributed capital. Therefore, external capital contributions are treated as an operating statement item and affect retained earnings. Only internal capital contributions are treated as a direct addition to contributed capital.



City of Miami Beach

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GENERAL FUND

The General Fund is used to account for all revenues and expenditures not accounted for in other funds relating to general operations of the City of Miami Beach.

**CITY OF MIAMI BEACH, FLORIDA
GENERAL FUND
COMPARATIVE BALANCE SHEET**

September 30, 2001 and 2000

	<u>2001</u>	<u>2000</u>
<u>Assets</u>		
Cash and investments	\$ 27,937,496	\$ 22,430,585
Receivables:		
Accounts (net of allowance for uncollectibles)	3,587,412	4,062,613
Accrued interest	1,256,350	2,181,590
Delinquent taxes receivable	397,471	415,350
Due from other funds	<u>1,605,145</u>	<u>2,438,287</u>
Total assets	<u>\$ 34,783,874</u>	<u>\$ 31,528,425</u>
<u>Liabilities and fund balances</u>		
Liabilities:		
Accounts payable	\$ 1,437,470	\$ 1,023,165
Accrued expenditures	3,267,542	1,247,996
Deferred revenues	2,145,637	2,566,465
Due to other funds	<u>3,218</u>	<u>5,146</u>
Total liabilities	<u>6,853,867</u>	<u>4,842,772</u>
Fund balances:		
Reserved for encumbrances	2,837,608	2,177,324
Reserved for prepaid		
Unreserved:		
Designated for contingencies	14,188,887	13,267,887
Undesignated	<u>10,903,512</u>	<u>11,240,442</u>
Total fund balances	<u>27,930,007</u>	<u>26,685,653</u>
Total liabilities and fund balances	<u>\$ 34,783,874</u>	<u>\$ 31,528,425</u>

CITY OF MIAMI BEACH, FLORIDA
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - GENERAL FUND

For the Fiscal Years Ended September 30, 2001 and 2000

	<u>2001</u>	<u>2000</u>
Revenues:		
Property taxes	\$ 59,342,355	\$ 55,371,895
Franchise fees	8,013,954	6,440,426
Utility taxes	11,703,187	11,234,997
Licenses and permits	9,707,800	8,425,325
Intergovernmental	9,816,077	9,773,041
Charges for services	1,722,088	1,415,673
Rents and leases	1,395,175	1,272,651
Interest	5,833,735	5,093,243
Fines and forfeitures	1,745,578	1,556,047
Administrative fees	7,672,896	7,572,896
Other	2,962,986	3,660,901
Total revenues	<u>119,915,831</u>	<u>111,817,095</u>
Expenditures:		
Current:		
General government	21,690,918	18,994,075
Public safety	72,443,838	65,727,982
Physical environment	2,035,849	1,601,273
Transportation	2,561,739	2,127,408
Economic environment	10,685,232	8,939,672
Human services	454,701	384,107
Culture and recreation	13,251,011	12,467,137
Total expenditures	<u>123,123,288</u>	<u>110,241,654</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,207,457)</u>	<u>1,575,441</u>
Other financing sources (uses):		
Operating transfers in	11,624,658	10,018,697
Operating transfers out	<u>(7,172,847)</u>	<u>(6,231,840)</u>
Total other financing sources (uses)	<u>4,451,811</u>	<u>3,786,857</u>
Excess of revenues and other financing sources over expenditures and other financing uses	1,244,354	5,362,298
Fund balance at beginning of year	<u>26,685,653</u>	<u>21,323,355</u>
Fund balance at end of year	<u>\$ 27,930,007</u>	<u>\$ 26,685,653</u>

CITY OF MIAMI BEACH, FLORIDA
GENERAL FUND SCHEDULE OF REVENUES - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2001
(With Comparative Actual Totals for the Fiscal Year Ended September 30, 2000)

	2001			2000
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Property taxes	\$ 59,796,643	\$ 59,342,355	\$ (454,288)	\$ 55,371,895
Franchise fees:				
Electricity	4,700,000	4,956,804	256,804	4,291,497
Telephone	225,000	272,320	47,320	225,543
Gas	570,000	767,812	197,812	579,161
Catv	545,000	1,403,398	858,398	541,095
Waste	508,650	613,620	104,970	803,130
Total franchise fees	6,548,650	8,013,954	1,465,304	6,440,426
Utility taxes:				
Electricity	7,000,000	6,615,574	(384,426)	6,591,712
Telephone	4,255,000	4,450,728	195,728	4,024,137
Gas and Oil	623,900	636,885	12,985	619,148
Total utility taxes	11,878,900	11,703,187	(175,713)	11,234,997
Licenses and permit fees:				
Occupational	2,955,500	3,055,470	99,970	2,969,662
Building and other	5,487,700	6,652,330	1,164,630	5,455,663
Total licenses and permit fees	8,443,200	9,707,800	1,264,600	8,425,325
Intergovernmental:				
State revenue sharing	1,947,000	1,959,955	12,955	1,960,961
Cigarette tax				78,278
Alcoholic beverage licenses	145,000	194,399	49,399	188,327
Local option sales tax	5,425,000	5,617,346	192,346	5,486,728
Local option gas tax	1,870,000	1,973,686	103,686	1,920,258
Firefighters Supplemental Comp.	78,000	70,691	(7,309)	69,556
Motor fuel tax rebate				68,933
Total intergovernmental	9,465,000	9,816,077	351,077	9,773,041
Charges for services:				
General government	65,000	84,069	19,069	69,447
Public safety	1,612,000	1,417,413	(194,587)	1,184,990
Transportation	250,000	6,305	(243,695)	
Culture and recreation	158,200	214,301	56,101	161,236
Total charges for services	2,085,200	1,722,088	(363,112)	1,415,673
Interest income	5,640,000	5,833,735	193,735	5,093,243
Rents and leases	1,226,495	1,395,175	168,680	1,272,651
Fines and forfeits	1,318,200	1,745,578	427,378	1,556,047
Administrative fees	7,667,896	7,672,896	5,000	7,572,896
Other	8,605,061	2,962,986	(5,642,075)	3,660,901
Total revenues	\$ 122,675,245	\$ 119,915,831	\$ (2,759,414)	\$ 111,817,095

CITY OF MIAMI BEACH, FLORIDA
GENERAL FUND SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL

For the Fiscal Year Ended September 30, 2001
(With Comparative Actual Totals for the Fiscal Year Ended September 30, 2000)

	2001			2000
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
General government:				
Mayor and commission	\$ 1,000,668	\$ 967,608	\$ 33,060	\$ 782,117
City manager	1,531,200	1,524,970	6,230	1,210,225
City clerk	1,248,745	1,186,743	62,002	1,290,669
Internal Audit	313,524	308,126	5,398	293,305
Management and budget	464,325	420,197	44,128	417,567
Finance	2,641,836	2,564,293	77,543	2,222,511
Human Resources	1,334,645	1,328,811	5,834	1,166,908
Procurement	562,288	560,696	1,592	498,437
City Attorney	3,121,832	3,096,479	25,353	2,827,644
General Services Administration	1,245,813	1,070,384	175,429	1,262,427
Planning	1,753,214	1,698,585	54,629	1,359,898
Special Programs	674,697	667,557	7,140	556,568
Engineering	1,314,330	1,313,898	432	1,339,476
Construction and financial management	1,278,382	1,278,092	290	994,455
Special Projects	3,116,256	3,020,599	95,657	566,571
Unclassified	2,820,833	1,953,600	867,233	2,530,692
Total general government	24,422,588	22,960,638	1,461,950	19,319,470
Public safety:				
Beach patrol	4,230,891	4,227,941	2,950	3,997,842
Building services	5,160,082	5,207,547	(47,465)	4,560,021
Fire	19,450,462	19,430,759	19,703	18,336,147
Police	43,276,082	43,059,542	216,540	38,408,922
Emergency 911	798,431	978,797	(180,366)	1,141,750
Total public safety	72,915,948	72,904,586	11,362	66,444,682
Physical environment:				
Environmental Resource Management	274,339	273,750	589	139,582
Unclassified	1,540,900	1,538,447	2,453	1,468,668
Total physical environment	1,815,239	1,812,197	3,042	1,608,250
Transportation:				
Streets	1,866,166	1,871,993	(5,827)	1,648,610
Renewal and replacement	585,962	551,364	34,598	507,811
Concurrency Management	254,993	254,149	844	
Unclassified	41,890	36,744	5,146	54,345
Total transportation	2,749,011	2,714,250	34,761	2,210,766
Economic environment:				
Economic development	10,902,784	10,687,332	215,452	8,942,497
Human services:				
Mental retardation	125,161	124,973	188	131,345
Unclassified	356,713	336,818	19,895	253,008
Total human services	481,874	461,791	20,083	384,353
Culture and recreation:				
Bass museum	1,119,333	1,115,603	3,730	936,320
Parks and recreation	13,260,779	13,196,095	64,684	12,289,598
Unclassified	308,250	108,404	199,846	283,042
Total culture and recreation	14,688,362	14,420,102	268,260	13,508,960
Total general fund expenditures and encumbrances	\$ 127,975,806	\$ 125,960,896	\$ 2,014,910	\$ 112,418,978

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for general and special revenues. Expenditures are designated for special purposes by the City of Miami Beach, State of Florida or United States Government.

**CITY OF MIAMI BEACH, FLORIDA
NATURE AND PURPOSE OF FUNDS
SPECIAL REVENUE FUND TYPES**

Resort Tax Revenue Fund

This fund accounts for the collection of the special tax levied citywide on food, beverage and room rents used to support tourist related activities.

Community Development Block Grant

This fund accounts for the receipt and expenditure of funds under this Federal Program.

Special Districts and Services Fund

This fund accounts for revenues levied from the operating millage and from special assessments. These funds are used to fund security improvements, management services and capital improvements.

Parking Impact Fees Fund

This fund accounts for impact fee revenue paid, primarily by owners of new and existing construction, in lieu of their ability to provide adequate parking spaces as defined by City Ordinance. The fund is also responsible for the disbursement of funds for various parking related projects in the impacted areas.

Seventh Street Garage Fund

This fund accounts for attendant parking revenue which is used for maintenance at the facility and debt service related expenditures.

Miami Beach Redevelopment Agency

This fund accounts for the operations of the Miami Beach Redevelopment Agency, a tax increment district of the City. The Agency was established in 1976 under the provisions of Chapter 163 of the Florida Statutes to spur development and redevelopment in the South Shore and City Center/Historic Convention Village Redevelopment and Revitalization Area, of the City.

Warehouse Operations Fund

This fund accounts for the operations of the material maintenance warehouse.

Bass Museum Fund

This fund accounts for the operations of the non-general portion of the art museum.

Other Special Revenue Fund

This fund accounts for the revenues and expenditures of a series of small grants.

**CITY OF MIAMI BEACH, FLORIDA
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS**

September 30, 2001
(With Comparative Totals for September 30, 2000)

	Resort Tax Revenue Fund	Community Development Block Grant Fund	Special Districts and Services Fund	Parking Impact Fees Fund	Seventh Street Garage Fund
Assets					
Cash and investments	\$ 5,425,646	\$ 10,000	\$ 2,086	\$ 8,185,688	\$ 2,755,652
Receivables:					
Accounts, net	1,092,251			127,950	36,450
Accrued interest					
Notes	106,085				
Due from other funds		6,181			
Due from other governments		309,988			
Prepaid					
Inventories					
Total assets	\$ 6,623,982	\$ 326,169	\$ 2,086	\$ 8,313,638	\$ 2,792,102
Liabilities and fund balances (deficit)					
Liabilities					
Accounts payable	\$ 569,475	\$ 171,253	\$ 150	\$	\$ 184,509
Accrued expenditures	284,636	16,478	725		
Due to other funds	734,394	138,438	700,000		
Due to other governments					
Deposits					
Total liabilities	1,588,505	326,169	700,875		184,509
Fund balances (deficit):					
Reserved for notes receivables	106,085				63,436
Reserved for prepaid				8,313,638	2,544,157
Reserved for encumbrances	122,232			8,313,638	2,607,593
Reserved for inventories	4,807,160		(698,789)		
Unreserved			(698,789)		
Total fund balances (deficit)	5,035,477				
Total liabilities and fund balances (deficit)	\$ 6,623,982	\$ 326,169	\$ 2,086	\$ 8,313,638	\$ 2,792,102

(continued)

**CITY OF MIAMI BEACH, FLORIDA
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS**

September 30, 2001
(With Comparative Totals for September 30, 2000)
(continued)

	Miami Beach Redevelopment Agency	Warehouse Operations Fund	Bass Museum Fund	Other Special Revenue Fund	Totals
					2001 2000
Assets					
Cash and investments	\$ 21,202,352	\$ 4,170	\$ 651	\$ 5,373,832	\$ 42,960,077 \$ 30,792,686
Receivables:					
Accounts, net	10,000			778,634	2,045,285 1,551,284
Accrued interest					
Notes					
Due from other funds	180,528			40,933	106,085 166,086
Due from other governments			15,371	31,809	227,642 413,439
Prepaid expenditures	42,273				357,168 434,992
Inventories		248,033			42,273 41,308
					248,033 321,912
Total assets	\$ 21,435,153	\$ 252,203	\$ 16,022	\$ 6,225,208	\$ 45,986,563 \$ 33,721,707
Liabilities and fund balances (deficit)					
Liabilities					
Accounts payable	\$ 1,507,188	\$ 32,958	\$ 675	\$ 501,159	\$ 2,967,367 \$ 1,819,186
Accrued expenditures	306,500		889	29,294	638,522 710,377
Due to other funds		125,000	4,036	120,924	1,822,792 2,902,486
Due to other governments				423	423 578
Total liabilities	1,813,688	157,958	5,600	651,800	5,429,104 5,432,627
Fund balances (deficit):					
Reserved for notes receivables					106,085 166,086
Reserved for prepaid	42,273				42,273 41,308
Reserved for encumbrances	10,000			2,568,677	2,764,345 1,660,394
Reserved for inventories		94,245			94,245 26,421,292
Unreserved	19,569,192		10,422	3,004,731	37,550,511
Total fund balances (deficit)	19,621,465	94,245	10,422	5,573,408	40,557,459 28,289,080
Total liabilities and fund balances (deficit)	\$ 21,435,153	\$ 252,203	\$ 16,022	\$ 6,225,208	\$ 45,986,563 \$ 33,721,707

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - SPECIAL REVENUE FUNDS

For the Fiscal Year Ended September 30, 2001
(With Comparative Totals for the Fiscal Year Ended September 30, 2000)

	Resort Tax Revenue Fund	Community Development Block Grant Fund	Special Districts and Services Fund	Parking Impact Fees Fund	Seventh Street Garage Fund
Revenues:					
Resort taxes	\$ 23,684,024	\$	\$	\$	\$
Federal grants		2,729,507			
State grants					
Intergovernmental					
Grants from other local units		1,071,721			2,277,295
Sales and charges for services				1,141,613	
Impact Fees	94,062			365,930	
Interest income			212		
Miscellaneous			212		
Total revenues	23,778,086	3,801,228		1,507,543	2,277,295
Expenditures:					
Current:					
General government services	675,760				
Public safety					
Physical environment					859,490
Transportation		290,848			
Economic environment	440,953	1,838,605	130,574		
Human services		570,363			
Culture and recreation	6,597,857	772,269			
Debt Service:					
Principal	2,400	305,000			
Interest		24,143			
Total expenditures	7,716,970	3,801,228	130,574		859,490
Excess (deficiency) of revenues over (under) expenditures	16,061,116		(130,362)	1,507,543	1,417,805
Other financing sources (uses)					
Operating transfer in	1,045,058		94,650		(714,000)
Operating transfer out	(15,514,583)				(714,000)
Total other financing sources (uses)	(14,469,525)		94,650		
Excess (deficiency) of revenues and other sources over (under) expenditures and other financing uses	1,591,591		(35,712)	1,507,543	703,805
Fund balances (deficit) - beginning of year	3,443,886		(663,077)	6,806,095	1,903,788
Fund balances (deficit) - end of year	\$ 5,035,477	\$	\$ (698,789)	\$ 8,313,638	\$ 2,607,593

(continued)

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - SPECIAL REVENUE FUNDS

For the Fiscal Year Ended September 30, 2001
(With Comparative Totals for the Fiscal Year Ended September 30, 2000)
(continued)

	Miami Beach Redevelopment Agency	Warehouse Operations Fund	Basin Museum Fund	Other Special Revenue Fund	Totals
					2001 2000
Revenues:					
Resort taxes	\$	\$	\$	\$	\$ 23,684,024 \$ 22,144,229
Federal grants				3,449,013	6,178,520 7,751,528
State grants			71,318	1,994,662	2,065,980 1,110,182
Intergovernmental	17,370,806				17,370,806 14,321,160
Grants from other local units		1,967,910		568,829	568,829 588,517
Sales and charges for services	2,891,841			283,776	8,492,543 5,838,849
Impact fees				1,080,145	2,221,758 486,766
Interest income	184,915			711,324	1,356,231 1,492,854
Miscellaneous	354			360,970	361,536 1,144,681
Total revenues	20,447,916	1,967,910	71,318	8,448,719	62,300,227 54,878,766
Expenditures:					
Current:					
General government services		1,853,487			2,529,247 2,960,340
Public safety				1,417,957	1,417,957 1,463,178
Physical environment				66,809	66,809 202,750
Transportation				2,168,951	3,319,289 3,602,658
Economic environment	8,291,766			1,760,130	12,462,028 10,982,837
Human services				446,071	1,016,434 1,386,609
Culture and recreation			74,713	1,390,130	8,834,969 8,080,756
Debt service:					
Principal					307,400
Interest					24,143
Total expenditures	8,291,766	1,853,487	74,713	7,250,048	29,978,276 28,679,128
Excess (deficiency) of revenue over (under) expenditures	12,156,150	114,423	(3,395)	1,198,671	32,321,951 26,199,638
Other financing sources (uses):					
Operating transfer in	4,822,976			1,575,000	7,537,684 5,972,152
Operating transfer out	(11,301,068)		(1,605)	(60,000)	(27,591,256) (25,577,345)
Total other financing sources (uses)	(6,478,092)		(1,605)	1,515,000	(20,053,572) (19,605,193)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	5,678,058	114,423	(5,000)	2,713,671	12,268,379 6,594,445
Fund balances (deficit) - beginning of year	13,943,407	(20,178)	15,422	2,859,737	28,289,080 21,694,635
Fund balances (deficit) - end of year	\$ 19,621,465	\$ 94,245	\$ 10,422	\$ 5,573,408	\$ 40,557,459 \$ 28,289,080

CITY OF MIAMI BEACH, FLORIDA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND ENCUMBRANCES - BUDGET AND ACTUAL
BUDGETED SPECIAL REVENUE FUNDS

For the Fiscal Year Ended September 30, 2001

	Bass Museum Fund			Resort Tax Revenue Fund			Miami Beach Redevelopment Agency			Total		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:												
State grants	\$ 131,180	\$ 71,318	\$ (59,862)	\$ 23,400,000	\$ 23,684,024	\$ 284,024	\$ 17,564,374	\$ 17,370,806	\$ (193,568)	\$ 131,180	\$ 71,318	\$ (59,862)
Resort taxes							2,209,760	2,891,841	682,081	23,400,000	23,684,024	284,024
Intergovernmental							145,000	184,915	39,915	17,564,374	17,370,806	(193,568)
Sales and charges for services				237,500	94,062	(143,438)				2,209,760	2,891,841	682,081
Interest income				1,207,500		(1,207,500)		354	354	382,500	278,977	(103,523)
Miscellaneous	13,147		(13,147)							1,220,647	354	(1,220,293)
Total revenues	144,327	71,318	(73,009)	24,845,000	23,778,086	(1,066,914)	19,919,134	20,447,916	528,782	44,908,461	44,297,320	(611,141)
Expenditures:												
General government				885,188	751,107	134,081				885,188	751,107	134,081
Economic environment				2,050,000	476,868	1,573,132	1,617,834	8,301,766	(6,683,932)	3,667,834	8,778,634	(5,110,800)
Culture and recreation	141,117	74,713	66,404	6,933,400	6,608,827	324,573				7,074,517	6,683,540	390,977
Debt service:					2,400	(2,400)					2,400	(2,400)
Principal												
Total expenditures	141,117	74,713	66,404	9,868,588	7,839,202	2,029,386	1,617,834	8,301,766	(6,683,932)	11,627,539	16,215,681	(4,588,142)
Excess (deficiency) of revenues over (under) expenditures	3,210	(3,395)	(6,605)	14,976,412	15,938,884	962,472	18,301,300	12,146,150	(6,155,150)	33,280,922	28,081,639	(5,199,283)
Other financing sources (uses):												
Operating transfers in				1,000,000	1,045,058	45,058		4,822,976	4,822,976	1,000,000	5,868,034	4,868,034
Operating transfers out	(3,210)	(1,605)	1,605	(15,976,412)	(15,514,583)	461,829	(18,301,300)	(11,301,088)	7,000,232	(34,280,922)	(26,817,256)	7,463,666
Total other financing sources (uses)	(3,210)	(1,605)	1,605	(14,976,412)	(14,469,525)	506,887	(18,301,300)	(6,478,092)	11,823,208	(33,280,922)	(20,949,222)	12,331,700
Excess of revenues and other financing uses over expenditures	\$	\$ (5,000)	\$ (5,000)	\$	\$ 1,469,359	\$ 1,469,359	\$	\$ 5,668,058	\$ 5,668,058	\$	\$ 7,132,417	\$ 7,132,417

DEBT SERVICE FUNDS

Debt Service Funds are used to account for payment of principal and interest on the City of Miami Beach's debt.

**CITY OF MIAMI BEACH, FLORIDA
NATURE AND PURPOSE OF FUNDS
DEBT SERVICE FUND TYPE**

General Obligation Fund

This fund accounts for principal and interest payments made for general obligations.

Excise Tax Fund

This fund accounts for Resort Tax Special Obligation payments made for principal and interest.

Gulf Breeze Special Obligation Fund

This fund accounts for principal and interest payments made for the Gulf Breeze VRDS.

Miami Beach Redevelopment Agency Fund

This fund accounts for principal and interest payments made for the Tax Increment Revenue Special Obligation Bonds.

Sunshine State Special Obligation Fund

This fund accounts for principal and interest payments made for the Sunshine State VRDS.

Pension Special Obligation Fund

This fund accounts for principal and interest payments made for the Pension Special Obligation Bonds.

**CITY OF MIAMI BEACH, FLORIDA
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET**

September 30, 2001
(With Comparative Totals for September 30, 2000)

	General Obligation Debt Service Fund	Excise Tax Debt Service Fund	Gulf Breeze Special Obligation Debt Service Fund	Miami Beach Redevelopment Agency Debt Service Fund	Sunshine State Special Obligation Debt Service Fund	Pension Special Obligation Debt Service Fund	Totals
	2001	2001	2001	2001	2001	2001	2000
Assets							
Cash and investments	\$ 1,168,144	\$ 525,720	\$ 180,375	\$ 9,133,190	\$ 1,318,666	\$ 562	\$ 11,743,861
Receivables:							
Accounts, net	50,663				643,398		74,931
Accrued interest	79,975		206	22,201			41,197
Delinquent taxes							84,060
Total assets	\$ 1,298,782	\$ 525,720	\$ 180,581	\$ 9,155,391	\$ 1,962,064	\$ 562	\$ 11,944,049
Liabilities and fund balances							
Liabilities:							
Accounts payable	\$	\$	\$	\$	\$	\$	\$ 2,292
Accrued expenditures					14,814		221,412
Deferred revenues	93,351						107,687
Total liabilities	93,351				14,814		331,391
Fund balances:							
Reserved for debt service	1,205,431	525,720	180,581	9,155,391	1,947,250	562	11,612,658
Total fund balances	1,205,431	525,720	180,581	9,155,391	1,947,250	562	11,612,658
Total liabilities and fund balances	\$ 1,298,782	\$ 525,720	\$ 180,581	\$ 9,155,391	\$ 1,962,064	\$ 562	\$ 11,944,049

CITY OF MIAMI BEACH, FLORIDA
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

For the Fiscal Year Ended September 30, 2001
(With Comparative Totals for the Fiscal Year Ended September 30, 2000)

	General Obligation Debt Service Fund	Excise Tax Debt Service Fund	Gulf Breeze Special Obligation Debt Service Fund	Miami Beach Redevelopment Agency Debt Service Fund	Sunshine State Special Obligation Debt Service Fund	Pension Special Obligation Debt Service Fund	Totals
	2001	2001	2001	2001	2001	2001	2000
Revenues:							
Property taxes	\$ 9,261,524	\$	\$	\$	\$ 1,273,494	\$	\$ 8,863,759
Special assessments	294	2,337	454	415,443		699	1,934,044
Interest income	10,251						449,613
Other							93,071
Total revenues	9,272,069	2,337	454	415,443	1,273,494	699	11,340,487
Expenditures:							
Debt Service:							
Principal	6,550,000	90,000	17,915,000	2,505,000	16,292,000	1,600,000	13,070,000
Interest	2,767,414	211,824	1,012,510	7,419,776	453,997	4,253,483	15,597,593
Total expenditures	9,317,414	301,824	18,927,510	9,924,776	16,745,997	5,853,483	28,667,593
Excess of expenditures over revenues	(45,345)	(299,487)	(18,927,056)	(9,509,333)	(15,472,503)	(5,852,784)	(17,327,106)
Other financing sources (uses):							
Proceeds of debt issuance			47,240,342				47,240,342
Operating transfers in	550,504	303,736	1,543,286	10,138,192	15,607,000	5,849,187	18,680,661
Operating transfers out			(29,723,462)				(385,129)
Total other financing sources (uses)	550,504	303,736	19,060,166	10,138,192	15,607,000	5,849,187	18,295,532
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	505,159	4,249	133,110	628,859	134,497	(3,597)	968,426
Fund balances at beginning of year	700,272	521,471	47,471	8,526,532	1,812,753	4,159	10,644,232
Fund balances at end of year	\$ 1,205,431	\$ 525,720	\$ 180,581	\$ 9,155,391	\$ 1,947,250	\$ 562	\$ 11,612,658

CITY OF MIAMI BEACH, FLORIDA
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
BUDGETED DEBT SERVICE FUNDS

For the Fiscal Years Ended September 30, 2001

	General Obligation Debt Service Fund			Miami Beach Redevelopment Agency Debt Service Fund			Total	
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual
Revenue:								
Property taxes	\$ 9,334,224	\$ 9,261,524	\$ (72,700)	\$	\$	\$	\$ 9,334,224	\$ 9,261,524
Contributions from other funds								
Interest income		294	294		415,443	58,655		415,737
Other		10,251	10,251					10,251
Total revenues	9,334,224	9,272,069	(62,155)	356,788	415,443	58,655	9,691,012	9,687,512
Expenditures:								
Debt Service:								
Principal payments	6,550,001	6,550,000	1	2,487,249	2,505,000	(17,751)	9,037,250	9,055,000
Interest payments	2,784,223	2,767,414	16,809	7,461,748	7,419,776	41,972	10,245,971	10,187,190
Total expenditures	9,334,224	9,317,414	16,810	9,948,997	9,924,776	24,221	19,283,221	19,242,190
Excess of revenues over expenditures		(45,345)	(45,345)	(9,592,209)	(9,509,333)	82,876	(9,592,209)	(9,554,678)
Other financing sources (uses):								
Operating transfers in		550,504	550,504	20,178,800	10,138,192	(10,040,608)	20,178,800	10,688,696
Operating transfers out				(10,586,591)		10,586,591	(10,586,591)	
Total other financing sources (uses)		550,504	550,504	9,592,209	10,138,192	545,983	9,592,209	10,688,696
Excess of revenues and other financing sources over expenditures and other financing uses	\$	\$ 505,159	\$ 505,159	\$	\$ 628,859	\$ 628,859	\$	\$ 1,134,018

CAPITAL PROJECTS FUND

Capital Projects Fund is used to account for proceeds of the City of Miami Beach bond sales and other revenues whose expenditure is restricted to the construction and acquisition of major capital projects other than those financed by Proprietary Funds and Similar Trust Funds.

CITY OF MIAMI BEACH, FLORIDA
COMPARATIVE BALANCE SHEET - CAPITAL PROJECTS FUND

September 30, 2001 and 2000

	<u>2001</u>	<u>2000</u>
<u>Assets</u>		
Cash and investments	\$ 78,458,247	\$ 68,653,619
Accounts receivable, net		699,595
Accrued interest receivable	54,559	21,330
Notes receivable	32,700	87,800
Due from other governments	14,802	12,769
Inventories	<u>105,528</u>	<u>125,652</u>
Total assets	<u>\$ 78,665,836</u>	<u>\$ 69,600,765</u>
<u>Liabilities and fund balances</u>		
Liabilities:		
Accounts payable	\$ 629,534	\$ 167,817
Due to other funds	<u>98,452</u>	<u></u>
Total liabilities	<u>727,986</u>	<u>167,817</u>
Fund balances:		
Reserved for encumbrances	14,804,547	5,104,712
Reserved for inventories	105,528	125,652
Reserved for notes receivable	32,700	87,800
Reserved for capital improvements	<u>62,995,075</u>	<u>64,114,784</u>
Total fund balances	<u>77,937,850</u>	<u>69,432,948</u>
Total liabilities and fund balances	<u>\$ 78,665,836</u>	<u>\$ 69,600,765</u>

CITY OF MIAMI BEACH, FLORIDA
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - CAPITAL PROJECTS FUND

For the Fiscal Years Ended September 30, 2001 and 2000

	<u>2001</u>	<u>2000</u>
Revenues:		
Interest	\$ 2,619,572	\$ 1,952,135
State grants	128,839	803,596
Grants from other local units	618,446	277,717
Other	<u>20,252</u>	<u>85,166</u>
Total revenues	<u>3,387,109</u>	<u>3,118,614</u>
Expenditures:		
Capital outlay:		
General government services	616,683	638,530
Public safety	2,076,550	275,442
Physical environment	614,639	1,172,372
Transportation	315,316	135,349
Economic environment	173,288	517,818
Human services	39,775	194,683
Culture and recreation	4,113,633	5,486,670
Debt service:		
Interest		<u>30,000</u>
Total expenditures	<u>7,949,884</u>	<u>8,450,864</u>
Excess of expenditures over revenues	<u>(4,562,775)</u>	<u>(5,332,250)</u>
Other financing sources (uses):		
Proceeds of debt issuance		30,000,000
Operating transfers in	18,594,991	1,490,270
Operating transfers out	<u>(5,527,314)</u>	<u>(2,953,569)</u>
Total other financing sources (uses)	<u>13,067,677</u>	<u>28,536,701</u>
Excess of revenues and other financing sources over expenditures	8,504,902	23,204,451
Fund balances - beginning of year	<u>69,432,948</u>	<u>46,228,497</u>
Fund balances - end of year	<u>\$ 77,937,850</u>	<u>\$ 69,432,948</u>

ENTERPRISE FUNDS

Enterprise Funds are used to account for the City of Miami Beach's Utility Systems that are financed and operated in a manner similar to private business enterprises - where the intent is the total cost of providing these goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

**CITY OF MIAMI BEACH, FLORIDA
NATURE AND PURPOSE OF FUNDS
ENTERPRISE FUND TYPE**

Storm Water Utility Fund

This fund accounts for the storm water utility operations of the City.

Water and Sewer Fund

This fund accounts for the water and sewer operations of the City.

Parking System Fund

This fund accounts for parking operations of the City.

Sanitation Fund

This fund accounts for the sanitation operations of the City.

Convention Center Complex Fund

This fund accounts for the Convention Center operations of the City.

Miami Beach Redevelopment Agency's
Parking Fund

This fund accounts for the parking operations of the Miami Beach Redevelopment Agency, a tax increment district of the City.

Miami Beach Redevelopment Agency's
Leasing Fund

This fund accounts for the leasing operations of the Miami Beach Redevelopment Agency, a tax increment district of the City.

CITY OF MIAMI BEACH, FLORIDA
ALL ENTERPRISE FUNDS
COMBINING BALANCE SHEET

September 30, 2001
(With Comparative Totals for September 30, 2000)

	Storm Water Utility Fund	Water and Sewer Fund	Parking System Fund	Sanitation Fund	Convention Center Complex Fund	Miami Beach Redevelopment Agency's Parking Fund	Miami Beach Redevelopment Agency's Leasing Fund	Totals	
								2001	2000
Assets									
Current assets:									
Cash and investments	\$ 1,761,124	\$ 3,565,389	\$ 21,299,433	\$ 1,525,897	\$ 2,887,003	\$ 673,461	\$ 353,816	\$ 32,066,123	\$ 24,798,415
Inventories at cost		1,497,596						1,497,596	1,609,562
Accounts receivable (net of allowance for uncollectibles)	310,840	6,805,432	630,555	348,588	572,837		329,154	8,997,406	7,507,746
Accrued interest receivable	262,729	367,029						629,758	527,296
Due from other governments							45	45	
Due from other funds		125,000						125,000	90,000
Prepaid expenses and deferred charges	732,436	1,521,389	1,450,046			7,000	151,316	3,862,187	3,288,966
Total current assets	3,067,129	13,881,835	23,380,034	1,874,485	3,459,840	680,461	834,331	47,178,115	37,821,985
Restricted assets:									
Cash and investments	53,469,481	73,567,450	21,630,996		20,475,322			169,143,249	126,162,770
Total restricted assets	53,469,481	73,567,450	21,630,996		20,475,322			169,143,249	126,162,770
Fixed assets:									
Land		1,492,598	15,519,201	405,680	2,089,371	2,793,051	210,230	22,510,131	22,510,131
Buildings and structures		7,292,177	21,133,721	542,339	139,945,406	11,955,752	899,896	181,769,291	181,314,954
Parking lots			1,679,186					1,679,186	1,679,186
Mains and lines		38,841,783						38,841,783	38,802,963
Meters and hydrants		9,068,302	2,680,094					11,748,396	11,181,820
Machinery and equipment	872,600	13,730,096	1,242,533	1,867,876	4,784,606			22,497,711	21,385,213
Construction in progress	2,909,919	52,202,558	13,480,630		18,843,115			87,436,222	68,842,515
	3,782,519	122,627,514	55,735,365	2,815,895	165,662,498	14,748,803	1,110,126	366,482,720	345,516,782
Less accumulated depreciation	(617,406)	(33,167,872)	(12,375,383)	(1,047,052)	(41,348,722)	(956,401)	(71,987)	(89,584,823)	(83,674,936)
Net fixed assets	3,165,113	89,459,642	43,359,982	1,768,843	124,313,776	13,792,402	1,038,139	276,897,897	261,841,846
Total assets	\$ 59,701,723	\$ 176,908,927	\$ 88,371,012	\$ 3,643,328	\$ 148,248,938	\$ 14,472,863	\$ 1,872,470	\$ 493,219,261	\$ 425,826,601
Liabilities and fund equity									
Current liabilities:									
Accounts payable	\$ 67,661	\$ 3,006,922	\$ 382,506	\$ 369,985	\$ 144,877	\$ 58,224	\$	\$ 4,030,175	\$ 3,649,154
Accrued expenses	240,512	529,365	240,777	37,697	721,629			1,769,980	1,078,990
Current maturities of bonds payable and obligations under capital leases	835,000	2,370,000	1,325,784					4,530,784	3,575,112
Accrued compensated absences	50,214	219,796	181,577	220,032	6,762			678,381	671,575
Due to other governments		107,404	15,792		8,340	2,386		133,922	95,785
Due to other funds							44,665	44,665	44,665
Deferred revenues			445,056	8,750	247,449			701,255	682,274
Total current liabilities	1,193,387	6,233,487	2,591,492	636,464	1,129,057	60,610	44,665	11,889,162	9,797,555
Liabilities payable from restricted assets:									
Deposits		5,113,701	34,378		1,770,874	11,976	52,230	6,983,159	6,548,711
Total liabilities payable from restricted assets		5,113,701	34,378		1,770,874	11,976	52,230	6,983,159	6,548,711
Long term liabilities:									
Bonds payable	50,689,528	97,374,188	26,215,292					174,279,008	126,639,924
Obligations under capital leases			794,682					794,682	1,320,466
Total long term liabilities	50,689,528	97,374,188	27,009,974					175,073,690	127,960,390
Total liabilities	51,882,915	108,721,376	29,635,844	636,464	2,899,931	72,586	96,895	193,946,011	144,306,656
Fund equity:									
Contributions	7,715	30,108,857	15,317,651	1,241,149	112,641,490	13,226,821	995,567	173,539,250	177,120,712
Retained earnings:									
Reserved per revenue bond indentures	297,618	648,891	181,747					1,128,256	584,237
Unreserved	7,513,475	37,429,803	43,235,770	1,765,715	32,707,517	1,173,456	780,008	124,805,744	103,814,996
Total retained earnings	7,811,093	38,078,694	43,417,517	1,765,715	32,707,517	1,173,456	780,008	125,734,000	104,399,233
Total fund equity	7,818,808	68,187,551	58,735,168	3,006,864	145,349,007	14,400,277	1,775,575	299,273,250	281,519,945
Total liabilities and fund equity	\$ 59,701,723	\$ 176,908,927	\$ 88,371,012	\$ 3,643,328	\$ 148,248,938	\$ 14,472,863	\$ 1,872,470	\$ 493,219,261	\$ 425,826,601

CITY OF MIAMI BEACH, FLORIDA
ALL ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS

For the Fiscal Year Ended September 30, 2001
(With Comparative Totals for the Fiscal Year Ended September 30, 2000)

	Storm Water Utility Fund	Water and Sewer Fund	Parking System Fund	Sanitation Fund	Convention Center Complex Fund	Miami Beach Redevelopment Agency's Parking Fund	Miami Beach Redevelopment Agency's Leasing Fund	Totals	
								2001	2000
Operating revenues:									
Charges for services	\$ 3,433,171	\$ 42,803,526	\$ 16,869,988	\$ 3,910,551	\$ 5,302,744	\$ 1,950,065	\$ 522,300	\$ 74,792,345	\$ 69,677,035
Permits, rentals, and other	118,378	1,166,112	3,572,143	1,484,615	6,633,154	379	336	12,955,117	10,435,324
Total operating revenues	3,551,549	43,969,638	20,442,131	5,375,166	11,935,898	1,950,444	522,636	87,747,462	80,112,359
Operating expenses:									
Personal services	587,710	3,574,175	3,409,794	1,943,544	4,228,033			13,743,256	12,636,246
Operating supplies	298,977	1,094,141	316,443	45,300	1,068,017			2,822,878	2,172,459
Contractual services	152,954	24,047,089	2,450,210	1,652,841	2,680,038	1,063,407	25,258	32,071,797	32,663,355
Utilities	65	441,419	343,690	9,946	1,728,460			2,523,580	2,252,460
Insurance					140,869			140,869	109,788
Internal charges	300,096	2,217,903	1,042,787	506,761	351,730			4,419,277	4,394,086
Depreciation	92,308	1,552,208	1,633,409	145,248	2,767,229	391,726	29,484	6,611,612	6,039,489
Administrative fees	250,000	2,894,696	2,300,000	250,000	700,000			6,394,896	6,294,896
Amortization	47,514	157,302	161,015					365,831	267,105
Other operating	120,987	383,841	97,454	77,542			15,710	695,534	1,296,529
Total operating expenses	1,850,811	36,382,974	11,754,802	4,631,182	13,664,376	1,455,133	70,452	69,789,530	68,126,413
Operating income (loss)	1,700,938	7,606,664	8,687,329	743,984	(1,728,478)	495,311	452,184	17,957,932	11,985,946
Non-operating revenues									
(expenses):									
Interest and fiscal charges	(2,463,692)	(4,015,105)	(1,241,119)	(31,570)				(7,751,486)	(2,367,204)
Disposal of assets		11,015	4,451	5,193				20,659	(60,208)
Interest income	2,969,533	4,305,993	1,766,082	50,936	72,637			9,165,181	3,494,991
Total non-operating revenues (expenses)	505,841	301,903	529,414	24,559	72,637			1,434,354	1,067,579
Income (loss) before operating transfers	2,206,779	7,908,567	9,216,743	768,543	(1,655,841)	495,311	452,184	19,392,286	13,053,525
Operating transfers in				381,542				381,542	381,542
Operating transfers out	(644,512)	(279,004)	(1,069,485)	(53,428)				(2,046,429)	(1,325,967)
Net operating transfers	(644,512)	(279,004)	(1,069,485)	328,114				(1,664,887)	(944,425)
Net income (loss)	1,562,267	7,629,563	8,147,258	1,096,657	(1,655,841)	495,311	452,184	17,727,399	12,109,100
Add: Depreciation on contributed capital	12,930	1,122,755	410,099	19,418	1,628,789	384,441	28,936	3,607,368	3,575,707
Retained earnings, beginning of year	6,235,896	29,326,376	34,880,160	649,640	32,734,569	293,704	298,888	104,399,233	88,714,426
Retained earnings, end of year	\$ 7,811,093	\$ 38,078,694	\$ 43,417,517	\$ 1,765,715	\$ 32,707,517	\$ 1,173,456	\$ 780,008	\$ 125,734,000	\$ 104,399,233

CITY OF MIAMI BEACH, FLORIDA
ALL ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
INCREASE (DECREASE) IN CASH AND INVESTMENTS

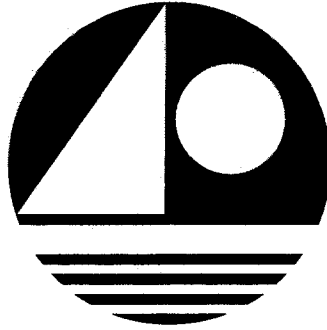
For the Fiscal Year Ended September 30, 2001
(With Comparative Totals for September 30, 2000)

	Storm Water Utility Fund	Water and Sewer Fund	Parking System Fund	Sanitation Fund	Convention Center Complex Fund	Miami Beach Redevelopment Agency's Parking Fund	Miami Beach Redevelopment Agency's Leasing Fund	Totals	
								2001	2000
Cash flows from operating activities:									
Cash received from customers	\$ 3,589,826	\$ 40,807,846	\$ 16,519,192	\$ 3,810,497	\$ 5,797,250	\$ 1,950,065	\$ 398,652	\$ 72,873,328	\$ 66,239,226
Cash paid to suppliers	(1,668,879)	(29,272,674)	(6,422,079)	(2,378,205)	(7,262,152)	(1,040,664)	(21,265)	(48,065,918)	(49,352,580)
Cash paid to employees	(584,629)	(3,571,363)	(3,399,376)	(1,926,967)	(4,223,164)			(13,705,489)	(13,080,189)
Miscellaneous revenues	118,378	1,166,112	3,572,143	1,464,615	6,633,154	379	336	12,955,117	10,435,324
Net cash provided by operating activities	1,454,696	9,129,921	10,269,880	969,940	945,088	909,780	377,723	24,057,028	14,241,781
Cash flows for non-capital financing activities:									
Repayment of interfund advances				381,542				381,542	(260,000)
Transfers in				(53,428)				(2,046,429)	381,542
Transfers out	(644,512)	(279,004)	(1,069,485)						(1,325,967)
Net cash provided by (used in) non-capital financing activities	(644,512)	(279,004)	(1,069,485)	328,114				(1,664,887)	(1,204,425)
Cash flows from capital and related financial activities:									
Proceeds of debt issuance	51,502,270							51,502,270	53,721,264
Interest and fiscal charges	(2,235,657)	(3,777,739)	(1,243,750)	(31,570)				(7,288,716)	(2,377,962)
Bond payments-principal		(2,265,000)	(765,000)					(3,030,000)	(2,900,000)
Capital lease payments			(620,412)					(620,412)	(491,185)
Capital contributions									632,980
Purchase of fixed assets	(1,073,251)	(10,813,199)	(1,624,209)	(855,265)	(7,021,460)	(399,412)	(30,064)	(21,816,860)	(17,308,843)
Proceeds from sale of fixed assets		11,015	8,795	27,235				47,045	18,950
Net cash provided by (used in) capital and related financial activities	48,193,362	(16,844,923)	(4,244,576)	(859,600)	(7,021,460)	(399,412)	(30,064)	18,793,327	31,295,204
Cash flows from investing activities:									
Interest on investments	2,706,804	4,466,260	1,766,082	50,936	72,637			9,062,719	3,314,309
Net cash provided by investing activities	2,706,804	4,466,260	1,766,082	50,936	72,637			9,062,719	3,314,309
Net increase (decrease) in cash and equivalents	51,710,350	(3,527,746)	6,721,901	489,390	(6,003,735)	510,368	347,659	50,248,187	47,646,869
Cash and investments - beginning of year	3,520,255	80,660,585	36,208,528	1,036,507	29,366,060	163,093	6,157	150,961,185	103,314,316
Cash and investments - end of year	\$ 55,230,605	\$ 77,132,839	\$ 42,930,429	\$ 1,525,897	\$ 23,362,325	\$ 673,461	\$ 353,816	\$ 201,209,372	\$ 150,961,185
Classified as:									
Current assets	\$ 1,761,124	\$ 3,565,389	\$ 21,299,433	\$ 1,525,897	\$ 2,887,003	\$ 673,461	\$ 353,816	\$ 32,066,123	\$ 24,798,415
Restricted assets	53,469,481	73,567,450	21,630,996		20,475,322			169,143,249	126,162,770
Total cash and investments	\$ 55,230,605	\$ 77,132,839	\$ 42,930,429	\$ 1,525,897	\$ 23,362,325	\$ 673,461	\$ 353,816	\$ 201,209,372	\$ 150,961,185
Non-cash transactions affecting financial position:									
Capital contributions of fixed assets	\$	\$	\$	\$	\$	\$ 23,120	\$ 1,740	\$ 24,860	\$ 8,337,319

CITY OF MIAMI BEACH, FLORIDA
ALL ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY
OPERATING ACTIVITIES

For the Fiscal Year Ended September 30, 2001
(With Comparative Totals for September 30, 2000)
(continued)

	Storm Water Utility Fund	Water and Sewer Fund	Parking System Fund	Sanitation Fund	Convention Center Complex Fund	Miami Beach Redevelopment Agency's Parking Fund	Miami Beach Redevelopment Agency's Leasing Fund	Totals	
								2001	2000
Operating income (loss)	\$ 1,700,938	\$ 7,606,664	\$ 8,687,329	\$ 743,984	\$ (1,728,478)	\$ 495,311	\$ 452,184	\$ 17,957,932	\$ 11,985,946
Adjustments to reconcile operating income (loss) to cash provided by operating activities:									
Depreciation and amorti- zation	139,822	1,709,510	1,794,424	145,248	2,767,229	391,726	29,484	6,977,443	6,306,594
Provision for uncollectible accounts	119,252	329,053	(31)	71,330	(151,618)			367,986	1,139,055
Changes in assets and liabilities:									
(Increase) decrease in inventories		111,966						111,966	(197,107)
(Increase) decrease in accounts receivable	156,655	(1,960,680)	(350,796)	(94,874)	515,697		(123,648)	(1,857,646)	(3,486,387)
Increase in due from other governments							(45)	(45)	
(Increase) decrease in due from other funds		(35,000)						(35,000)	160,000
(Increase) decrease in prepaid expense	(732,436)	23,735	100,394		18,251		16,835	(573,221)	(732,668)
Increase (decrease) in accounts payable	65,087	723,888	(98,525)	86,859	(421,357)	58,224	(882)	413,294	1,210,085
Increase (decrease) in accrued expenses	3,927	20,916	76,561	7,541	119,275			228,220	(2,522,286)
Increase (decrease) in deposits		523,118	6,791		(115,131)	5,250	14,420	434,448	805,158
Increase (decrease) in due to other governments		86,311	(2,666)		(37,050)	(8,458)		38,137	46,475
Decrease in due to other funds						(32,273)		(32,273)	(586,845)
Increase (decrease) in deferred revenues			55,977	(5,180)	(21,191)		(10,625)	18,981	140,639
Increase (decrease) in accrued compensated absences	1,451	(9,560)	422	15,032	(539)			6,806	(26,878)
Total adjustments	(246,242)	1,523,257	1,582,551	225,956	2,673,566	414,469	(74,461)	6,099,096	2,255,835
Net cash provided by operating activities	\$ 1,454,696	\$ 9,129,921	\$ 10,269,880	\$ 969,940	\$ 945,088	\$ 909,780	\$ 377,723	\$ 24,057,028	\$ 14,241,781



City of Miami Beach

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INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services by one department to other departments of the City of Miami Beach on a cost reimbursement basis.

**CITY OF MIAMI BEACH, FLORIDA
NATURE AND PURPOSE OF FUNDS
INTERNAL SERVICE FUND TYPE**

Fleet Management Fund

This fund accounts for operations of the central warehouse, and the purchase and maintenance of the City's fleet of vehicles.

Property Management Fund

This fund accounts for the cleaning, operating and renovations of City buildings.

Central Services Fund

This fund accounts for the operation of the office supplies warehouse, central printing function and central mail facility.

Self Insurance Fund

This fund accounts for the City's insurance operations, both retained and insured.

Communications Fund

This fund accounts for centralized telecommunications operations.

**CITY OF MIAMI BEACH, FLORIDA
ALL INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET**

**September 30, 2001
(With Comparative Totals for September 30, 2000)**

	Assets						Totals	
	Fleet Management Fund	Property Management Fund	Central Services Fund	Self Insurance Fund	Communications Fund	2001	2000	
Current assets:								
Cash and investments	\$ 8,523,522	\$ 980,863	\$ 136,537	\$ 100,000	\$ 4,918,059	\$ 14,558,981	\$ 12,561,392	
Cash with fiscal agent						100,000	100,000	
Inventories at cost	112,058	147,788	24,833		20,785	305,464	289,763	
Accounts receivable, net	22,165	14,472	1,791	5,422	1,881	45,731	18,423	
Due from other funds			11,217		123	11,340	10,571	
Prepaid expenses				878,221		878,221	530,048	
Total current assets	8,657,745	1,143,123	174,378	983,643	4,940,848	15,899,737	13,510,197	
Restricted assets:								
Cash and investments				8,624,620		8,624,620	9,755,219	
Total restricted assets				8,624,620		8,624,620	9,755,219	
Fixed assets:								
Land	608,520					608,520	608,520	
Buildings and structures	2,001,269	19,276				2,020,545	2,020,545	
Machinery and equipment	23,214,161	1,610,387	100,856	50,979	15,577,767	40,554,150	34,985,689	
Construction in progress					1,671,657	1,671,657	1,148,283	
					17,249,424	44,854,872	38,763,037	
Less accumulated depreciation	(14,183,677)	(1,184,970)	(92,788)	(47,220)	(12,779,757)	(28,288,412)	(25,265,525)	
Net fixed assets	11,640,273	444,693	8,068	3,759	4,469,667	16,566,460	13,497,512	
Total assets	\$ 20,298,018	\$ 1,587,816	\$ 182,446	\$ 9,612,022	\$ 9,410,515	\$ 41,090,817	\$ 36,762,928	
Liabilities and fund equity (deficit)								
Current liabilities:								
Accounts payable	\$ 667,172	\$ 207,291	\$ 44,662	\$ 166,375	\$ 552,913	\$ 1,638,413	\$ 536,952	
Accrued compensated absences	53,388	209,397	13,563	24,601	215,928	516,877	576,889	
Accrued expenses	13,440	102,361	5,103	8,738	35,821	165,463	75,007	
Total current liabilities	734,000	519,049	63,328	199,714	804,662	2,320,753	1,188,848	
Liabilities payable from restricted assets:								
Pending insurance claims				6,131,000		6,131,000	5,305,000	
Insurance claims incurred but not reported				7,580,000		7,580,000	8,027,000	
Total liabilities payable from restricted assets				13,711,000		13,711,000	13,332,000	
Total liabilities	734,000	519,049	63,328	13,910,714	804,662	16,031,753	14,520,848	
Fund equity (deficit):								
Contributions from City	8,254,903	40,126	3,139	1,210	636,707	8,936,085	7,026,813	
Retained earnings (accumulated deficit):								
Unreserved	11,309,115	1,028,641	115,979	(4,299,902)	7,969,146	16,122,979	15,215,267	
Total fund equity (deficit)	19,564,018	1,068,767	119,118	(4,298,692)	8,605,853	25,059,064	22,242,080	
Total liabilities and fund equity (deficit)	\$ 20,298,018	\$ 1,587,816	\$ 182,446	\$ 9,612,022	\$ 9,410,515	\$ 41,090,817	\$ 36,762,928	

CITY OF MIAMI BEACH, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

For the Fiscal Year Ended September 30, 2001
(With Comparative Totals for the Fiscal Year Ended September 30, 2000)

	Fleet Management Fund	Property Management Fund	Central Services Fund	Self Insurance Fund	Communications Fund	Totals	
						2001	2000
Operating revenues:							
Charges for services	\$ 5,512,420	\$ 4,829,688	\$ 592,417	\$ 9,244,034	\$ 6,408,798	\$ 26,587,357	\$ 25,312,507
Miscellaneous	543,163			254,379	743,619	1,541,161	1,529,476
Total operating revenues	6,055,583	4,829,688	592,417	9,498,413	7,152,417	28,128,518	26,841,983
Operating expenses:							
Personal services	765,576	1,955,428	210,613	300,217	1,698,613	4,930,447	4,246,544
Operating supplies	1,979,209	530,605	42,521	6,112	200,546	2,758,993	2,258,351
Contractual services	315,507	1,138,962	306,746	4,089,766	1,239,536	7,090,517	5,862,701
Utilities	40,609	515,465	93	1,501	760,424	1,318,092	1,125,003
Internal charges	488,032	482,484	53,515	18,390	422,319	1,464,740	1,279,277
Administrative fees	100,000	75,000	25,000	571,094	75,000	846,094	846,094
Depreciation	2,698,779	167,483	7,505	4,338	1,561,043	4,438,148	4,438,437
Insurance				1,370,923		1,370,923	857,168
Claims and judgements				4,891,003		4,891,003	28,154
Other	470,693	502	3,585		837,074	1,311,854	1,114,527
Total operating expenses	6,858,405	4,865,929	649,578	11,253,344	6,794,555	30,421,811	22,056,256
Operating income (loss)	(802,822)	(36,241)	(57,161)	(1,754,931)	357,862	(2,293,293)	4,785,727
Non-operating revenues (expenses):							
Interest and fiscal charges	(30,135)				(10,045)	(40,180)	
Disposal of assets	71,629	1,540			2,801	75,970	46,670
Interest income	364,036	7,442	7,653	457,646	226,227	1,063,004	1,037,352
Total non-operating revenues (expenses)	405,530	8,982	7,653	457,646	218,983	1,098,794	1,084,022
Income (loss) before operating transfers	(397,292)	(27,259)	(49,508)	(1,297,285)	576,845	(1,194,499)	5,869,749
Operating transfers out		(4,311)		(8,664)	(56,497)	(69,472)	(69,472)
Net operating transfers		(4,311)		(8,664)	(56,497)	(69,472)	(69,472)
Net income (loss)	(397,292)	(31,570)	(49,508)	(1,305,949)	520,348	(1,263,971)	5,800,277
Add: Depreciation on contributed equity	1,648,091	98,777	481	2,420	421,914	2,171,683	2,495,724
Retained earnings (deficit), beginning of year	10,058,316	961,434	165,006	(2,996,373)	7,026,884	15,215,267	6,919,266
Retained earnings (deficit), end of year	\$ 11,309,115	\$ 1,028,641	\$ 115,979	\$ (4,299,902)	\$ 7,969,146	\$ 16,122,979	\$ 15,215,267

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF CASH FLOWS-ALL INTERNAL SERVICE FUNDS
INCREASE (DECREASE) IN CASH AND INVESTMENTS

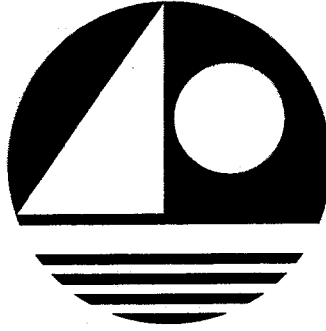
For the Fiscal Year Ended September 30, 2001
(With Comparative Totals for September 30, 2000)

	Fleet Management Fund	Property Maintenance Fund	Central Services Fund	Self Insurance Fund	Communications Fund	Totals
						2001
						2000
Cash flows from operating activities:						
Cash received from users	\$ 5,512,420	\$ 4,829,688	\$ 586,430	\$ 9,238,612	\$ 6,407,665	\$ 26,574,815
Cash paid to suppliers	(2,845,437)	(2,661,908)	(405,741)	(6,261,881)	(3,164,181)	(15,339,148)
Cash paid to employees	(868,890)	(1,936,422)	(207,902)	(298,688)	(1,655,776)	(4,967,678)
Cash paid for claims and judgements				(4,512,003)		(4,512,003)
Miscellaneous revenues	523,309	(11,648)		254,379	743,619	1,509,659
						1,587,482
Net cash provided by (used in) operating activities	2,321,402	219,710	(27,213)	(1,579,581)	2,331,327	3,265,645
Cash flows for non-capital financing activities:						
Transfers out		(4,311)		(8,664)	(56,497)	(69,472)
Net cash used in non-capital financing activities		(4,311)		(8,664)	(56,497)	(69,472)
Cash flows from capital and related financial activities:						
Interest and fiscal charges	(30,135)				(10,045)	(40,180)
Purchase of fixed assets	(1,265,714)	(221,511)	(2,995)		(2,008,708)	(3,498,928)
Proceeds from sale of fixed assets	142,580	1,540			2,801	146,921
Net cash used in capital and related financial activities	(1,153,269)	(219,971)	(2,995)		(2,015,952)	(3,392,187)
Cash flows from investing activities:						
Interest on investments	364,036	7,442	7,653	457,646	226,227	1,063,004
Net cash provided by investing activities	364,036	7,442	7,653	457,646	226,227	1,037,352
Net increase (decrease) in cash and equivalents	1,532,169	2,870	(22,555)	(1,130,599)	485,105	866,990
Cash and investments - beginning of year	6,991,353	977,993	159,092	9,855,219	4,432,954	22,416,611
Cash and investments - end of year	\$ 8,523,522	\$ 980,863	\$ 136,537	\$ 8,724,620	\$ 4,918,059	\$ 23,283,601
Classified as:						
Current assets	\$ 8,523,522	\$ 980,863	\$ 136,537	\$ 100,000	\$ 4,918,059	\$ 14,658,981
Restricted assets				8,624,620		8,624,620
Total cash and investments	\$ 8,523,522	\$ 980,863	\$ 136,537	\$ 8,724,620	\$ 4,918,059	\$ 23,283,601
Non-cash transactions affecting financial position:						
Capital contributions of fixed assets	\$	\$ 18,710	\$	\$	\$	\$ 18,710
						\$ 1,890,899

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF CASH FLOWS-ALL INTERNAL SERVICE FUNDS
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES

For the Fiscal Year Ended September 30, 2001
(With Comparative Totals for September 30, 2000)
(continued)

	Fleet Management Fund	Property Maintenance Fund	Central Services Fund	Self Insurance Fund	Communications Fund	Totals
	2001	2000	2001	2000	2001	2000
Operating income (loss)	\$ (802,822)	\$ (36,241)	\$ (57,161)	\$ (1,754,931)	\$ 357,862	\$ 4,785,727
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	2,698,779	167,483	7,505	4,338	1,561,043	4,438,437
Provision for uncollectible accounts		502	3,585		2,567	794
Changes in assets and liabilities:						
(Increase) decrease in inventories	13,009	(28,055)	(1,017)		362	12,104
(Increase) decrease in accounts receivable	(19,854)	(11,663)	5,097	(5,422)	(1,284)	64,140
(Increase) decrease in due from other funds		15	(11,084)	10,149	151	(238)
Increase in prepaid expense	534,708	47,945	21,634	(348,173)	366,228	(212,275)
Increase in accounts payable	(101,562)	6,244	1,804	130,946	1,101,461	299,757
Increase (decrease) in accrued compensated absences				1,338	32,164	31,886
Increase (decrease) in pending insurance claims				826,000	826,000	(56,000)
Decrease in insurance claims incurred but not reported				(447,000)		(3,208,000)
Increase (decrease) in accrued expenses	(856)	73,480	2,424	3,174	12,234	(132,292)
Total adjustments	3,124,224	255,951	29,948	175,350	1,973,465	1,238,313
Net cash provided by (used in) operating activities	\$ 2,321,402	\$ 219,710	\$ (27,213)	\$ (1,579,581)	\$ 2,331,327	\$ 6,024,040



City of Miami Beach

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TRUST AND AGENCY FUNDS

Trust and Agency Funds are used to account for assets held by the City of Miami Beach in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

**CITY OF MIAMI BEACH, FLORIDA
NATURE AND PURPOSE OF FUNDS
TRUST AND AGENCY FUND TYPE**

<u>Retirement System for General Employees</u>	This fund accounts for the contributions, benefits and related expenditures of the general employees retirement system.
<u>Retirement System for Police and Fire</u>	This fund accounts for the contributions, benefits and related expenditures of the police and fire retirement system.
<u>Retirement System for Non-Civil Service Employees</u>	This fund accounts for the contributions, benefits and related expenditures of the non-civil service employees retirement system.
<u>Police Confiscation and Training</u>	This fund accounts for monies received from confiscations, forfeitures and fines.
<u>Recreation</u>	This fund accounts for fees related to special recreation programs.
<u>General Agency</u>	This fund accounts for general deposits held in trust until obligations are met or refunds are made.

**CITY OF MIAMI BEACH, FLORIDA
COMBINING BALANCE SHEET
ALL TRUST AND AGENCY FUNDS**

**September 30, 2001
(With Comparative Totals for September 30, 2000)**

Assets	Pension Trust Funds	Expendable Trust Funds	Agency Funds	Totals	
				2001	2000
Cash and investments	\$ 700,333,893	\$ 2,049,461	\$ 2,509,048	\$ 704,892,402	\$ 799,853,750
Receivables:					
Accounts, net	513,180	8,689	2,369	524,238	600,178
Accrued interest	3,850,416			3,850,416	3,789,909
Total assets	\$ 704,697,489	\$ 2,058,150	\$ 2,511,417	\$ 709,267,056	\$ 804,243,837
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ 5,565,369	\$ 77,663	\$ 269,886	\$ 5,912,918	\$ 4,268,561
Accrued expenditures		2,598		2,598	2,267
Deposits			2,241,531	2,241,531	2,561,558
Total liabilities	5,565,369	80,261	2,511,417	8,157,047	6,832,386
Fund Balances:					
Reserved for encumbrances		257,591		257,591	284,290
Reserved for employees' pension benefits	699,132,120			699,132,120	795,245,114
Unreserved		1,720,298		1,720,298	1,882,047
Total fund balances	699,132,120	1,977,889		701,110,009	797,411,451
Total liabilities and fund balances	\$ 704,697,489	\$ 2,058,150	\$ 2,511,417	\$ 709,267,056	\$ 804,243,837

**CITY OF MIAMI BEACH, FLORIDA
COMBINING BALANCE SHEET
PENSION TRUST FUNDS**

**September 30, 2001
(With Comparative Totals for September 30, 2000)**

	Retirement System for General Employees	Retirement System for Police and Fire	Retirement System for Non- Civil Serv. Empl.	Totals	
	2001	2001	2001	2000	2000
<u>Assets</u>					
Cash and investments	\$ 227,985,746	\$ 390,371,414	\$ 81,976,733	\$ 700,333,893	\$ 795,104,122
Receivables:					
Accounts, net	253,261		259,919	513,180	303,750
Accrued interest	646,924	3,157,993	45,499	3,850,416	3,789,909
Total assets	<u>\$ 228,885,931</u>	<u>\$ 393,529,407</u>	<u>\$ 82,282,151</u>	<u>\$ 704,697,489</u>	<u>\$ 799,197,781</u>
<u>Liabilities and fund balances</u>					
Liabilities:					
Accounts payable	\$	\$ 5,565,369	\$	\$ 5,565,369	\$ 3,952,667
Total liabilities		5,565,369		5,565,369	3,952,667
Fund balances:					
Reserved for employees' pension benefits	228,885,931	387,964,038	82,282,151	699,132,120	795,245,114
Total fund balances	228,885,931	387,964,038	82,282,151	699,132,120	795,245,114
Total liabilities and fund balances	<u>\$ 228,885,931</u>	<u>\$ 393,529,407</u>	<u>\$ 82,282,151</u>	<u>\$ 704,697,489</u>	<u>\$ 799,197,781</u>

**CITY OF MIAMI BEACH, FLORIDA
COMBINING BALANCE SHEET
ALL EXPENDABLE TRUST FUNDS**

**September 30, 2001
(With Comparative Totals for September 30, 2000)**

	Police Confiscation and Training	Recreation	Totals	
			2001	2000
<u>Assets</u>				
Cash and investments	\$ 1,457,424	\$ 592,037	\$ 2,049,461	\$ 1,917,783
Accounts receivable	5,511	3,178	8,689	294,989
Total assets	<u>\$ 1,462,935</u>	<u>\$ 595,215</u>	<u>\$ 2,058,150</u>	<u>\$ 2,212,772</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 33,573	\$ 44,090	\$ 77,663	\$ 44,168
Accrued expenditures		2,598	2,598	2,267
Total liabilities	<u>33,573</u>	<u>46,688</u>	<u>80,261</u>	<u>46,435</u>
Fund balances:				
Reserved for encumbrances	218,986	38,605	257,591	284,290
Unreserved	1,210,376	509,922	1,720,298	1,882,047
Total fund balances	<u>1,429,362</u>	<u>548,527</u>	<u>1,977,889</u>	<u>2,166,337</u>
Total liabilities and fund balances	<u>\$ 1,462,935</u>	<u>\$ 595,215</u>	<u>\$ 2,058,150</u>	<u>\$ 2,212,772</u>

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - EXPENDABLE TRUST FUNDS

For the Fiscal Year Ended September 30, 2001
(With Comparative Totals for the Fiscal Year Ended September 30, 2000)

	Police Confiscation and Training	Recreation	Totals	
			2001	2000
Revenues:				
Charges for service	\$	\$ 709,522	\$ 709,522	\$ 799,626
Interest income	89,128		89,128	91,373
Fines and forfeitures	1,910,835		1,910,835	1,690,740
Sale of city property	15,344		15,344	171,068
Other		600	600	
Total revenues	<u>2,015,307</u>	<u>710,122</u>	<u>2,725,429</u>	<u>2,752,807</u>
Expenditures:				
Current:				
Public safety	2,217,167		2,217,167	1,957,139
Culture and recreation		696,710	696,710	669,911
Total expenditures	<u>2,217,167</u>	<u>696,710</u>	<u>2,913,877</u>	<u>2,627,050</u>
Excess (deficiency) of revenues over (under) expenditures	(201,860)	13,412	(188,448)	125,757
Fund balances - beginning of year	<u>1,631,222</u>	<u>535,115</u>	<u>2,166,337</u>	<u>2,040,580</u>
Fund balances - end of year	<u>\$ 1,429,362</u>	<u>\$ 548,527</u>	<u>\$ 1,977,889</u>	<u>\$ 2,166,337</u>

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS
ALL PENSION TRUST FUNDS

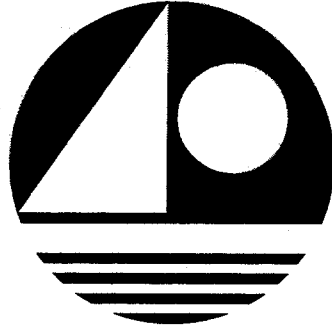
For the Fiscal Year Ended September 30, 2001
(With Comparative Totals for the Fiscal Year Ended September 30, 2000)

	Retirement System for General Employees	Retirement System for Police and Fire	Retirement System for Non- Civil Serv. Empl.	Totals
	2001	2001	2001	2000
Additions:				
Contributions -				
Employer	\$ 2,013,240	\$ 733,425	\$ 678,793	\$ 733,425
Employee		3,577,878	278,131	6,269,911
Transfers from other systems				278,131
Other	12,441			12,441
Total contributions	2,025,681	4,311,303	956,924	7,293,908
Investment income -				
Net appreciation (depreciation) in				
fair value of investments	(26,949,644)	(53,610,289)	(9,459,947)	(90,019,880)
Interest income	6,638,634	13,974,209	1,274,254	21,887,097
Dividends	1,383,954	2,274,813	798,102	4,456,869
Investment management expenses	(18,927,056)	(37,361,267)	(7,387,591)	(63,675,914)
Deferred retirement option plan	(407,355)	(1,162,263)	(197,833)	(1,767,451)
participants' earnings		209,830		209,830
Net investment income (loss)	(19,334,411)	(38,313,700)	(7,585,424)	(65,233,535)
Total additions (deductions)	(17,308,730)	(34,002,397)	(6,628,500)	(57,939,627)
Deductions:				
Benefit paid	13,766,898	18,999,180	3,706,490	36,472,568
Contributions refunded	348,430	75,154	47,755	471,339
Transfers to other systems	189,047			189,047
Administrative expenses	338,652	526,157	175,604	1,040,413
Total deductions	14,643,027	19,600,491	3,929,849	38,173,367
Net increase (decrease)	(31,951,757)	(53,602,888)	(10,558,349)	(96,112,994)
Net assets held in trust for pension benefits - beginning of year	260,837,688	441,566,926	92,840,500	795,245,114
Net assets held in trust for pension benefits - end of year	\$ 228,885,931	\$ 387,964,038	\$ 82,282,151	\$ 699,132,120
				\$ 795,245,114

**CITY OF MIAMI BEACH, FLORIDA
GENERAL AGENCY FUND
STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES**

For the Fiscal Year Ended September 30, 2001

	<u>September 30, 2000</u>	<u>Additions</u>	<u>Deductions</u>	<u>September 30, 2001</u>
<u>Assets</u>				
Cash and investments	\$ 2,831,845	\$ 40,281,144	\$ 40,603,941	\$ 2,509,048
Accounts receivable	<u>1,439</u>	<u>14,954</u>	<u>14,024</u>	<u>2,369</u>
Total Assets	<u>\$ 2,833,284</u>	<u>\$ 40,296,098</u>	<u>\$ 40,617,965</u>	<u>\$ 2,511,417</u>
<u>Liabilities</u>				
Accounts payable	\$ 271,726	\$ 9,850,761	\$ 9,852,601	\$ 269,886
Deposits	<u>2,561,558</u>	<u>44,074,237</u>	<u>44,394,264</u>	<u>2,241,531</u>
Total Liabilities	<u>\$ 2,833,284</u>	<u>\$ 53,924,998</u>	<u>\$ 54,246,865</u>	<u>\$ 2,511,417</u>



City of Miami Beach

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GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Account Group is used to account for tangible assets of the City of Miami Beach having a useful life longer than the year of acquisition and having a monetary value large enough to warrant maintaining custodial records on the property.

**CITY OF MIAMI BEACH, FLORIDA
GENERAL FIXED ASSETS
COMPARATIVE BALANCE SHEET**

September 30, 2001 and 2000

	<u>2001</u>	<u>2000</u>
Assets:		
Land	\$ 90,447,248	\$ 88,477,248
Buildings	31,779,437	31,779,437
Permanent Improvements	64,746,152	64,746,152
Furniture and Fixtures	1,076,235	1,148,986
Equipment	3,827,887	3,631,877
Construction In Progress	<u>123,015,936</u>	<u>111,396,292</u>
Total assets	<u><u>\$ 314,892,895</u></u>	<u><u>\$ 301,179,992</u></u>
Fund Equity:		
Investment in general fixed assets	<u><u>\$ 314,892,895</u></u>	<u><u>\$ 301,179,992</u></u>

CITY OF MIAMI BEACH, FLORIDA
SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTIONS AND ACTIVITIES

September 30, 2001

	Land	Buildings	Furniture and Fixtures	Equipment	Permanent Improvements	Construction Work-in-progress	Total
City Hall - Administration	\$ 20,000	\$ 7,170,603	\$ 324,007	\$ 420,732	\$ 103,588	\$	\$ 8,038,930
Fire Department	11,351	1,042,609	16,104	873,381	89,062		2,032,507
Police Department	2,745,237	18,037,174	546,843	1,344,248	140,378		22,813,880
Recreation, Culture & Parks:							
Parks and Land	827,369	498,774		188,611	13,521,984		15,036,738
Recreation and Playgrounds	32,012,698	3,017,290	10,166	217,602	11,190,118		46,447,874
Public Beaches		134,344			386,729		521,073
Golf Courses	1,950,906	624,298	20,008	234,022	3,465,186		6,294,420
Bass Museum		47,271	26,712	191,824	166,507		432,314
Holocaust Memorial			66,464	6,839	2,110,786		2,184,089
Public Works Department:							
Public Works Properties	1,656,289	1,176,017			156,017		2,988,323
Engineering and Design			3,610	56,569			60,179
Storm Sewers					3,402,174		3,402,174
Seawalls & Jetties					25,920		25,920
Sidewalks					1,060,624		1,060,624
Highways and Streets				139,741	15,172,062		15,311,803
Bridges					5,043,829		5,043,829
Docks and Channels					209,393		209,393
Waterways & Bulkheads					667,960		667,960
Whiteways					3,752,622		3,752,622
Right of Way	1,258,734				186,290		1,445,024
Economic & Community Development			13,614	13,264			26,878
Miami Beach Redevelopment Agency	49,850,853		2,399	8,779	2,508,051	39,640,366	92,010,448
Miscellaneous	113,811	31,057	46,308	132,275	1,386,872		1,710,323
Construction In Progress						83,375,570	83,375,570
	<u>\$ 90,447,248</u>	<u>\$ 31,779,437</u>	<u>\$ 1,076,235</u>	<u>\$ 3,827,887</u>	<u>\$ 64,746,152</u>	<u>\$ 123,015,936</u>	<u>\$ 314,892,895</u>

**CITY OF MIAMI BEACH, FLORIDA
SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE**

September 30, 2001

General Fixed Assets:

Land	\$ 90,447,248
Buildings	31,779,437
Permanent improvements	64,746,152
Furniture and fixtures	1,076,235
Equipment	3,827,887
Construction in progress	<u>123,015,936</u>
	<u><u>\$ 314,892,895</u></u>

Investment in general fixed assets from:

Balance at 9/30/86	\$ 95,550,242
General fund	4,840,759
Bond fund	112,324,998
Special revenue funds	7,324,664
Trust and agency funds	2,841,784
Redevelopment agency funds	<u>92,010,448</u>
	<u><u>\$ 314,892,895</u></u>

CITY OF MIAMI BEACH, FLORIDA
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS - BY FUNCTIONS AND ACTIVITIES

For the Fiscal Year Ended September 30, 2001

	Balance 10/01/00	Additions	Deletions	Balance 09/30/01
City Hall - Administration	\$ 7,996,524	\$ 108,588	\$ 66,182	\$ 8,038,930
Fire Department	2,112,336	114,569	194,398	2,032,507
Police Department	22,735,790	202,812	124,722	22,813,880
Recreation, Culture & Parks:				
Parks and Land	15,018,199	18,539		15,036,738
Recreation and Playgrounds	46,438,601	66,460	57,187	46,447,874
Public Beaches	521,073			521,073
Golf Courses	6,294,420			6,294,420
Bass Museum	361,767	70,547		432,314
Holocaust Memorial	2,184,089			2,184,089
Public Works Department:				
Public Works Properties	2,988,323			2,988,323
Engineering and Design	48,615	11,564		60,179
Storm Sewers	3,402,174			3,402,174
Seawall & Jetties	25,920			25,920
Sidewalks	1,060,624			1,060,624
Highways and Streets	15,303,440	8,363		15,311,803
Bridges	5,043,829			5,043,829
Docks and Channels	209,393			209,393
Waterways & Bulkheads	667,960			667,960
Whiteways	3,752,622			3,752,622
Right of way	1,445,024			1,445,024
Economic & Community Development	23,391	3,487		26,878
Miami Beach Redevelopment Agency	86,228,621	5,781,827		92,010,448
Miscellaneous	1,749,504	10,448	49,629	1,710,323
Construction In Progress	75,567,753	8,283,202	475,385	83,375,570
	<u>\$ 301,179,992</u>	<u>\$ 14,680,406</u>	<u>\$ 967,503</u>	<u>\$ 314,892,895</u>

GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP

The General Long-Term Obligations Account Group is used to account for the City of Miami Beach's debt, and other long-term indebtedness, payable serially from the proceeds of general tax revenues levied for the purpose.

CITY OF MIAMI BEACH, FLORIDA
COMPARATIVE BALANCE SHEET - GENERAL LONG-TERM OBLIGATIONS

September 30, 2001 and 2000

<u>ASSETS</u>	<u>2001</u>	<u>2000</u>
Amount available for long-term debt	\$ 13,014,935	\$ 11,612,658
Amount to be provided for long-term obligations	<u>270,005,036</u>	<u>269,416,897</u>
Total assets	<u>\$ 283,019,971</u>	<u>\$ 281,029,555</u>
 <u>LIABILITIES</u>		
General obligation bonds	\$ 50,985,000	\$ 57,535,000
Special obligation bonds	209,503,000	200,760,000
Due to developer	9,227,733	9,914,740
Accrued compensated absences	10,013,977	9,197,076
Other Obligations	<u>3,290,261</u>	<u>3,622,739</u>
Total liabilities	<u>\$ 283,019,971</u>	<u>\$ 281,029,555</u>

CITY OF MIAMI BEACH, FLORIDA
SCHEDULE OF LONG TERM BONDED DEBT OUTSTANDING

As of September 30, 2001

Description	Series	Rate of Interest	Date of Issue	Maturity Date	Call Date	Original Issue	Prior Maturities	Debt Service Cost For the Year Ended September 30, 2001		Outstanding Principal September 30, 2001
								Principal	Interest	
1992 General Obligation Refunding Bonds	1992	3.30-5.30	1/1/93	9/1/03		\$ 54,360,000	\$ 41,025,000	\$ 4,450,000	\$ 696,583	\$ 8,885,000
1987 General Obligation Bonds	1987B	3.75-6.35	3/1/87	9/1/02	9/1/97	3,000,000	2,600,000	200,000	25,300	200,000
1996 General Obligation Bonds	1996	3.70-4.50	10/1/97	9/1/07		15,000,000	1,200,000	1,900,000	582,150	11,900,000
1985 Gulf Breeze VRDS	1985B	Variable	6/1/00	12/1/13	N/A	15,910,000			730,210	15,910,000
1985 Gulf Breeze VRDS	1985E	Variable	6/1/00	12/1/20	N/A	14,090,000			727,150	14,090,000
Total General Obligations						102,360,000	44,825,000	6,550,000	2,761,393	50,985,000
1996 Resort Tax Refunding Bonds	1996	3.6-5.5	5/1/96	10/1/10	10/1/06	4,095,000	320,000	90,000	210,761	3,685,000
1985 Gulf Breeze VRDS	1985C	Variable	7/1/93	7/1/13	N/A	21,665,000	3,750,000	17,915,000	603,722	2,200,000
1985 Gulf Breeze	1985B	2.95-4.875	8/1/01	12/1/15		2,200,000				22,445,000
1985 Gulf Breeze VRDS	1985C	2.96-4.970	8/1/01	12/1/15		22,445,000				22,500,000
1985 Gulf Breeze VRDS	1985E	2.96-5.18	8/1/01	12/1/15		22,500,000				6,678,000
1994 Sunshine State VRDS	1994	Variable	8/16/94	9/1/14	N/A	30,000,000	22,007,000	1,315,000	453,997	2,825,000
1989 Tax Increment Revenue	1989	9.125	12/1/89	12/1/04	12/1/99	7,000,000	3,610,000	565,000	283,559	21,745,000
1993 Tax Increment Revenue	1993	3.25-5.875	1/1/94	6/1/22	12/1/04	25,000,000	2,750,000	505,000	1,257,463	42,160,000
1996 Tax Increment Revenue	1996	4.00-8.95	8/1/96	12/1/23	12/1/06	45,205,000	2,365,000	680,000	3,538,237	36,780,000
1998 Tax Increment Revenue	1998	3.6-7.0	7/1/98	12/1/22	12/1/08	38,240,000	705,000	755,000	2,340,516	48,485,000
1994 Taxable Special Obligation Bonds	1994	6.62-8.6	2/1/95	9/1/21	9/2/05	57,710,000	7,625,000	1,600,000	4,248,168	209,503,000
Total Special Obligations						276,060,000	43,132,000	23,425,000	12,936,423	\$ 260,468,000
Total Bonded Debt						\$ 378,420,000	\$ 87,957,000	\$ 29,975,000	\$ 15,697,816	\$ 260,468,000

CITY OF MIAMI BEACH, FLORIDA
DEBT SERVICE REQUIREMENTS - GENERAL OBLIGATION BONDS

September 30, 2001

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001-02	\$ 7,175,000	\$ 2,567,435	\$ 9,742,435
2002-03	7,285,000	2,233,801	9,518,801
2003-04	5,515,000	1,851,814	7,366,814
2004-05	3,890,000	1,608,258	5,498,258
2005-06	1,590,000	1,433,783	3,023,783
2006-07	1,645,000	1,356,740	3,001,740
2007-08	1,200,000	1,275,901	2,475,901
2008-09	1,260,000	1,214,086	2,474,086
2009-10	1,325,000	1,148,484	2,473,484
2010-11	1,390,000	1,078,903	2,468,903
2011-12	1,460,000	1,005,151	2,465,151
2012-13	1,540,000	926,381	2,466,381
2013-14	1,620,000	841,831	2,461,831
2014-15	1,700,000	751,341	2,451,341
2015-16	1,795,000	654,780	2,449,780
2016-17	1,895,000	551,672	2,446,672
2017-18	2,000,000	441,876	2,441,876
2018-19	2,110,000	325,241	2,435,241
2019-20	2,230,000	200,993	2,430,993
2020-21	2,360,000	68,440	2,428,440
	<u>\$ 50,985,000</u>	<u>\$ 21,536,911</u>	<u>\$ 72,521,911</u>

CITY OF MIAMI BEACH, FLORIDA
DEBT SERVICE REQUIREMENTS - SPECIAL OBLIGATION BONDS

September 30, 2001

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001-02	\$ 5,850,000	\$ 13,824,873	\$ 19,674,873
2002-03	8,470,000	13,720,957	22,190,957
2003-04	8,335,000	13,180,488	21,515,488
2004-05	8,590,000	12,650,484	21,240,484
2005-06	7,643,000	12,101,435	19,744,435
2006-07	7,090,000	11,628,495	18,718,495
2007-08	7,525,000	11,191,228	18,716,228
2008-09	7,995,000	10,719,226	18,714,226
2009-10	8,500,000	10,212,493	18,712,493
2010-11	9,040,000	9,665,243	18,705,243
2011-12	9,625,000	9,064,233	18,689,233
2012-13	10,465,000	8,408,939	18,873,939
2013-14	11,185,000	7,689,976	18,874,976
2014-15	11,945,000	6,919,001	18,864,001
2015-16	12,750,000	6,094,084	18,844,084
2016-17	10,470,000	5,284,652	15,754,652
2017-18	11,250,000	4,487,644	15,737,644
2018-19	12,070,000	3,627,952	15,697,952
2019-20	12,920,000	2,703,678	15,623,678
2020-21	10,355,000	1,710,655	12,065,655
2021-22	8,395,000	971,923	9,366,923
2022-23	9,035,000	332,085	9,367,085
	<u>\$ 209,503,000</u>	<u>\$ 176,189,744</u>	<u>\$ 385,692,744</u>

STATISTICAL INFORMATION

This section includes unaudited financial statistical information presented for purposes of analysis.

CITY OF MIAMI BEACH, FLORIDA

ALL GOVERNMENTAL FUNDS EXPENDITURES BY FUNCTION

FISCAL YEARS 1992 THRU 2001

Fiscal Year	General Governmental Services	Public Safety	Physical Environment	Transportation	Economic Environment	Human Services	Culture and Recreational	Capital Projects	Debt Service	Total
1991-92	\$ 24,093,504	\$ 50,657,155	\$ 499,401	\$ 2,345,449	\$ 2,696,309	\$ 833,565	\$ 13,975,040	\$ 4,956,502	\$ 19,290,816	\$ 119,347,741
1992-93	24,624,616	50,412,973	464,315	1,801,365	5,106,163	1,021,702	15,141,349	3,632,204	18,532,247	120,736,934
1993-94	22,575,303	53,345,455	572,257	2,396,628	9,692,768	1,027,189	13,480,977	30,836,399	19,363,852	153,290,828
1994-95	20,835,371	54,813,459	658,030	3,347,444	29,534,395	1,121,751	14,826,642	14,252,327	28,840,606	168,230,025
1995-96	20,941,128	62,933,681	686,057	2,554,165	18,349,154	1,201,662	15,996,399	32,570,017	80,191,231	235,423,494
1996-97	22,384,898	68,234,685	1,224,000	4,337,123	14,397,098	1,429,734	24,057,499	32,838,592	24,383,669	193,287,298
1997-98	18,283,710	63,840,665	1,137,695	4,254,646	28,664,258	1,319,429	25,819,305	23,730,228	25,938,074	192,988,010
1998-99	18,428,875	66,734,465	1,378,702	4,210,852	16,283,449	1,394,266	28,213,051	8,831,803	28,639,486	174,114,949
1999-00	21,954,415	69,148,299	1,804,023	5,730,066	19,922,509	1,770,908	21,864,799	8,450,864	28,667,593	179,313,476
2000-01	24,220,165	76,078,962	2,102,658	5,881,028	23,147,260	1,471,188	23,700,822	7,949,884	61,402,547	225,954,514

(1) Table includes all governmental fund types and expendable trust funds.

(2) Table includes the Visitor and Convention Authority and Health Facilities Authority, discretely presented component units.

CITY OF MIAMI BEACH, FLORIDA

ALL GOVERNMENTAL FUNDS REVENUE BY SOURCE

FISCAL YEARS 1992 THRU 2001

Fiscal Year	General Property Taxes	Franchise Fees	Utility Service Taxes	Other Taxes	Licenses and Permits	Inter-governmental Revenue	Sales and Charges for Services	Fines and Forfeitures	Interest Income	Miscellaneous Revenues	Total
1991-92	\$ 45,196,736	\$ 5,377,550	\$ 8,418,316	\$ 17,873,445	\$ 4,435,782	\$ 18,343,782	\$ 3,841,955	\$ 2,180,528	\$ 2,319,670	\$ 9,633,115	\$ 117,620,879
1992-93	46,102,609	5,834,933	9,634,007	21,252,571	6,026,751	18,547,912	4,366,855	3,023,580	2,343,769	10,148,614	127,281,601
1993-94	45,933,970	6,003,946	8,960,948	18,707,869	6,244,791	22,128,965	3,230,211	3,476,927	3,118,679	15,120,033	132,926,339
1994-95	46,885,783	6,056,853	9,293,275	21,367,372	6,038,464	24,681,126	3,338,496	5,473,233	6,354,836	17,501,930	146,991,368
1995-96	51,834,737	6,544,616	9,691,671	19,555,057	6,282,396	73,801,854	6,758,365	2,136,149	6,123,251	32,646,599	215,374,695
1996-97	55,496,245	6,167,992	10,278,584	14,149,832	7,623,771	29,637,951	6,552,857	2,886,422	8,334,074	25,873,673	167,001,401
1997-98	57,193,099	6,627,409	10,611,102	15,311,962	8,119,683	30,843,071	6,943,545	3,917,238	7,794,767	16,740,913	164,102,789
1998-99	60,611,944	6,721,850	11,163,676	19,217,373	8,579,138	35,611,223	7,511,798	3,728,146	8,193,057	15,883,400	177,221,605
1999-00	64,235,654	6,440,426	11,234,997	22,144,229	8,425,325	35,585,774	8,619,490	3,246,787	9,079,218	16,746,832	185,758,732
2000-01	68,603,879	8,013,954	11,703,187	23,684,024	9,707,800	37,726,224	11,033,689	3,656,413	10,317,893	15,953,890	200,400,953

(1) Table includes all governmental fund types and expendable trust funds.

(2) Table includes the Visitor and Convention Authority and Health Facilities Authority, discretely presented component units.

CITY OF MIAMI BEACH, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS

FISCAL YEARS 1991 THRU 2000

Tax Year (1)	Assessed Valuations (3)		Total Tax Levy	Total Collected in Year (2)	Percent Collected
	Including Homesteads	Excluding Homesteads			
1991	\$ 4,654,936,873	\$ 3,863,597,605	\$ 46,142,946	\$ 45,196,736	97.9
1992	4,726,911,403	3,932,985,608	45,610,535	46,102,609	101.1
1993	5,354,688,618	4,444,391,552	45,477,364	45,933,970	101.0
1994	6,369,445,913	5,286,640,108	47,359,133	46,885,783	99.0
1995	6,713,103,433	5,639,006,884	51,698,797	51,834,737	100.3
1996	7,161,079,764	6,015,307,002	54,155,090	55,496,245	102.4
1997	7,635,026,033	6,413,421,868	57,447,414	57,193,099	99.6
1998	8,168,481,094	6,861,524,119	60,374,366	60,611,944	100.4
1999	8,983,694,474	7,546,303,358	64,293,224	64,235,654	99.9
2000	9,784,381,355	8,218,880,338	69,078,101	68,603,879	99.3

(1) Assessments as of January 1 of the year listed; bills mailed in October of that year; taxes become delinquent at the end of April of the subsequent year.

(2) Actual collections of current and delinquent Real and Personal Property Taxes.

(3) Assessments are at 100% of fair market value.

CITY OF MIAMI BEACH, FLORIDA

STATEMENT OF TAX LEVIES AND TAX RATES

FISCAL YEARS 1992 THRU 2001

Fiscal Year	General Fund		Debt Service Fund		Total	
	Tax Levy	Millage	Tax Levy	Millage	Tax Levy	Millage
1992	\$ 37,642,954	9.743	\$ 8,499,992	2.200	\$ 46,142,946	11.943
1993	35,812,374	9.302	9,798,161	2.545	45,610,535	11.847
1994	35,514,506	8.238	9,962,858	2.311	45,477,364	10.549
1995	36,629,597	7.143	10,729,536	2.039	47,359,133	9.182
1996	41,330,511	7.499	10,368,286	1.862	51,698,797	9.361
1997	44,018,979	7.499	11,028,582	1.879	55,047,561	9.378
1998	46,775,045	7.499	10,672,369	1.711	57,447,414	9.210
1999	50,400,464	7.499	9,973,902	1.484	60,374,366	8.983
2000	55,430,546	7.499	8,862,678	1.484	64,293,224	8.983
2001	59,743,877	7.399	9,334,224	1.156	69,078,101	8.555

CITY OF MIAMI BEACH, FLORIDA
DIRECT AND OVERLAPPING TAX RATES
(PER \$1,000 OF ASSESSED VALUE)

Last Ten Fiscal Years

Fiscal Year Ended September 30,	City of Miami Beach			School District	County	State	Total
	General Fund	Debt Service Funds	Total				
1992	9.743	2.200	11.943	9.528	8.795	0.599	30.865
1993	9.302	2.545	11.847	9.923	9.236	0.648	31.654
1994	8.238	2.311	10.549	10.266	9.202	0.652	30.669
1995	7.143	2.039	9.182	10.345	8.413	0.702	28.642
1996	7.499	1.862	9.361	10.390	7.946	0.687	28.384
1997	7.499	1.879	9.378	10.366	7.582	0.710	28.036
1998	7.499	1.711	9.210	10.462	7.268	0.747	27.687
1999	7.499	1.484	8.983	10.160	7.194	0.744	27.081
2000	7.499	1.199	8.698	9.644	6.946	0.741	26.029
2001	7.399	1.156	8.555	9.617	6.754	0.738	25.664

CITY OF MIAMI BEACH, FLORIDA

NET BONDED DEBT TO ASSESSED VALUATION AND BONDED DEBT PER CAPITA

LAST TEN FISCAL YEARS

<u>Year</u>	<u>Net Assessed Valuation (000)</u>	<u>Net Bonded Debt (000)</u>	<u>Percentage</u>	<u>Population (Est.)</u>	<u>Net Bonded Debt Per Capita</u>
1992	\$ 3,863,598	\$ 66,751	1.73	93,461	\$ 714
1993	3,932,985	63,472	1.61	94,725	670
1994	4,444,391	56,567	1.27	95,160	594
1995	5,286,640	49,041	0.93	93,681	523
1996	5,639,006	41,166	0.73	91,775	448
1997	6,015,307	32,851	0.55	91,848	358
1998	6,413,422	40,586	0.63	92,927	440
1999	6,861,524	34,140	0.50	93,464	365
2000	7,546,303	56,835	0.75	94,012	605
2001	8,218,880	49,780	0.61	87,933	566

CITY OF MIAMI BEACH, FLORIDA
COMPUTATION OF LEGAL DEBT MARGIN

September 30, 2001

Debt limit per City Charter for general obligation bonds is 15% of the assessed valuation (\$8,218,880,338)	\$ 1,232,832,051
General obligation bonds outstanding as of September 30, 2001	<u>50,985,000</u>
Legal debt margin	<u>\$ 1,181,847,051</u>

CITY OF MIAMI BEACH, FLORIDA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT

SEPTEMBER 30, 2001

DIRECT DEBT

General obligation indebtedness		\$ 49,779,569
Public improvement bonds (net of amount available)		

Non-self-supporting indebtedness: (1)

Resort Tax Revenue Refunding Bonds, Series 1988	3,685,000	
Gulf Breeze Government Loan Program	47,145,000	
Sunshine State Loan Program	6,678,000	
Pension Obligation Bonds	48,485,000	
Tax Increment Revenue Bonds	103,510,000	
	209,503,000	
Less: Reserve funds	11,809,504	
Total non-self-supporting indebtedness		197,693,496

Total direct indebtedness	247,473,065
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OVERLAPPING DEBT (2)

Miami-Dade County		
Total general obligation indebtedness	285,161,000	
Percent applicable to City - 8.24% (3)		23,497,266
Total school district obligation indebtedness	896,100,000	
Percent applicable to City - 8.24% (3)		73,838,640
Total net non-self-supporting indebtedness	264,764,000	
Percent applicable to City - 8.24% (3)		21,816,554

Total overlapping debt	119,152,459
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TOTAL DIRECT AND OVERLAPPING DEBT	\$ 366,625,524
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- (1) Excludes self-supporting debt obligations.
- (2) All debt listed as Overlapping Debt is secured either solely from a tax source or from a combination of self-supporting revenues and a tax source.
- (3) Based upon 2000 assessed valuation figures for the City and Dade County.

CITY OF MIAMI BEACH, FLORIDA
RATIO OF GENERAL OBLIGATION DEBT SERVICE
TO GENERAL FUND EXPENDITURES

FISCAL YEARS 1992 THRU 2001

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>General Fund Expenditures</u>	<u>Ratio</u>
1992	\$ 7,175,000	4,764,609	\$ 11,939,609	\$ 75,514,624	15.8
1993	7,825,000	2,907,212	10,732,212	75,206,612	14.3
1994	6,995,000	3,394,197	10,389,197	79,387,545	13.1
1995	7,685,000	3,037,857	10,722,857	84,796,247	12.7
1996	7,720,000	2,627,032	10,347,032	92,550,848	11.2
1997	7,830,000	2,215,653	10,045,653	99,511,671	10.1
1998	7,870,000	2,376,070	10,246,070	94,960,467	10.8
1999	7,910,000	3,092,962	11,002,962	99,953,313	11.0
2000	7,190,000	1,661,504	8,851,504	110,241,654	8.0
2001	6,550,000	2,767,414	9,317,414	123,123,288	7.6

CITY OF MIAMI BEACH, FLORIDA

REVENUE BOND COVERAGE

FISCAL YEARS 1992 THRU 2001

Parking Revenue Bonds (1)

	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Revenue	\$ 22,208,213	\$ 17,945,290	\$ 15,953,438	\$ 14,571,340	\$ 12,837,146	\$ 10,929,504	\$ 7,146,856	\$ 4,973,028	\$ 4,676,924	\$ 4,369,984
Expenses (2)	7,921,393	7,888,439	7,274,366	7,262,681	6,783,627	5,797,474	4,526,570	3,133,586	2,642,263	2,233,881
Net Revenues Available for Debt Service	14,386,820	10,056,851	8,679,072	7,308,659	6,053,519	5,132,030	2,620,286	1,839,442	2,034,661	2,136,103
Debt Service Cost										
Principal	765,000	735,000	710,000	640,000	615,000	510,000	400,000	370,000	350,000	325,000
Interest	1,412,526	1,442,026	1,469,106	1,581,361	450,795	596,332	746,500	775,330	793,670	812,737
Total	\$ 2,177,526	\$ 2,177,026	\$ 2,179,106	\$ 2,221,361	\$ 1,065,795	\$ 1,106,332	\$ 1,146,500	\$ 1,145,330	\$ 1,143,670	\$ 1,137,737
Coverage	6.61	4.62	3.98	3.29	5.68	4.63	2.29	1.61	1.78	1.88

(1) Additional Parking Revenue Bonds issued on August 28, 1997 in the amount of \$21,000,000.

(2) Expenses as defined in the indenture as reasonable expenses of operation and maintenance of the system before depreciation, administrative fees and transfers.

(3) Minimum revenue coverage is 1.35 per bond covenants.

Water & Sewer Revenue Bonds

	2001	2000	1999	1998	1997	1996	1995
Revenue	\$ 48,275,631	\$ 44,439,127	\$ 45,079,591	\$ 40,534,718	\$ 33,729,358	\$ 34,444,847	\$ 30,163,231
Expenses (1)	31,915,870	32,553,919	31,778,525	30,175,856	28,415,087	26,226,618	24,055,416
Net Revenues Available for Debt Service	16,359,761	11,885,208	13,301,066	10,358,862	5,314,271	8,218,229	6,107,815
Debt Service Cost							
Principal	2,265,000	2,165,000	2,070,000	1,985,000	1,900,000	1,825,000	-
Interest	5,652,704	2,667,906	2,761,056	2,849,389	2,932,039	3,009,143	885,892
Total	\$ 7,917,704	\$ 4,832,906	\$ 4,831,056	\$ 4,834,389	\$ 4,832,039	\$ 4,834,143	\$ 885,892
Coverage	2.07	2.46	2.75	2.14	1.10	1.70	6.89

(1) Expenses as defined in the indenture as reasonable expenses of operation and maintenance of the system before depreciation, administrative fees and transfers.

(2) Minimum revenue coverage is 1.10 per bond covenants.

(3) Prior years' information not available as bonds were issued during fiscal 1995.

CITY OF MIAMI BEACH, FLORIDA

DEMOGRAPHIC STATISTICS

LAST TEN YEARS

<u>Year</u>	<u>Population</u>	<u>Auto Tags</u> Miami-Dade County	<u>Bank Deposits</u> Miami-Dade County (Thousands)	<u>Public School</u> Enrollment Miami-Dade County	<u>Unemployment</u> Rate Miami-Dade County
1991	92,939	1,978,169	18,609	304,287	8.7
1992	93,461	2,272,812	22,072	302,163	10.0
1993	95,160	2,284,759	22,585	297,873	7.7
1994	93,681	2,274,404	23,163	307,066	8.0
1995	91,775	2,204,356	25,154	314,853	7.3
1996	91,848	2,426,683	27,641	341,120	7.3
1997	92,927	2,421,725	34,081	332,216	7.1
1998	93,464	2,401,647	36,230	337,103	6.5
1999	94,012	2,392,339	39,633	343,653	5.8
2000	87,933	2,420,074	40,543	350,920	5.3

Source: Florida Statistical Abstract, 2001.

CITY OF MIAMI BEACH , FLORIDA
VALUE OF BUILDING PERMITS ISSUED
LAST TEN YEARS

FISCAL YEARS 1992 THRU 2001

<u>Year</u>	<u>New Constuction</u>	<u>Existing Structures Additions, Rehabilitation, Etc.</u>	<u>Total Value</u>
1992	\$ 9,544,515	\$ 40,398,741	49,943,256
1993	150,549,661	81,156,235	231,705,896
1994	91,566,442	68,358,627	159,925,069
1995	147,712,100	56,564,305	204,276,405
1996	137,664,000	60,538,264	198,202,264
1997	96,643,651	82,576,295	179,219,946
1998	74,513,600	177,283,873	251,797,473
1999	211,236,200	107,085,431	318,321,631
2000	49,650,000	64,200,062	113,850,062
2001	247,811,274	133,427,438	381,238,712

Source: City of Miami Beach - Building Department, 2001.

CITY OF MIAMI BEACH, FLORIDA

TEN LARGEST TAXPAYERS

2001

<u>Owner</u>	<u>Type of Property</u>	<u>Assessed Value</u>	<u>Percentage of Total</u>
Miami Beach Redevelopment Inc	Hotel	\$ 125,283,186	23.93 %
Hotelerama Assoc. Ltd.	Hotel	99,014,861	18.91
Morton Towers Apts. LP	Apartments	46,592,360	8.90
Nine Island Avenue Condo	Apartments	46,408,920	8.87
Gumenick Family Inv. No. 1 Ltd.	Apartments	37,129,073	7.09
Roney Plaza Associates, Ltd.	Apartments	36,400,000	6.95
Tower Forty One Condo	Apartments	36,221,820	6.92
IHC/Miami Beach Corp.	Hotel	34,600,391	6.61
Maison Grande Condo	Apartments	32,488,730	6.21
Club Atlantis Condo	Apartments	29,370,670	5.61
		<u>\$ 523,510,011</u>	<u>100.00 %</u>

Source: Miami-Dade County, Florida; Department of Property Appraisal;
City of Miami Beach Valuation Roll, 2001.

CITY OF MIAMI BEACH, FLORIDA
TEN LARGEST PUBLIC AND PRIVATE EMPLOYERS
LOCATED IN MIAMI-DADE COUNTY

Ten Largest Public Employers		Ten Largest Private Employers	
Miami-Dade County Public Schools	37,500	American Airlines	9,000
Miami-Dade County	30,000	University of Miami	8,000
Federal Government	18,276	Baptist Health Systems of South Florida	7,500
State of Florida	18,100	Precision Response Corporation	4,346
Jackson Memorial Hospital	10,000	BellSouth	4,240
City of Miami	3,400	MasTec	4,000
Florida International University	2,591	Royal Caribbean International/Celebrity Cruise	4,000
Miami-Dade Community College	2,400	Publix Super Markets	4,000
Miami VA Medical Center	2,000	Florida Power & Light Co.	3,823
City of Miami Beach	1,702	Mount Sinai Medical Center	2,868

Source: The Beacon Council

**CITY OF MIAMI BEACH, FLORIDA
MISCELLANEOUS STATISTICS**

**PER CAPITA PERSONAL INCOME
(CURRENT DOLLARS)**

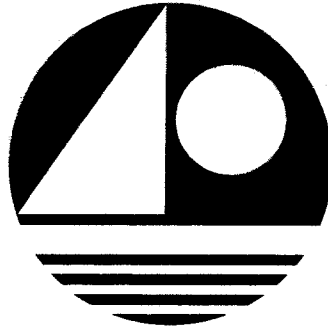
Year	Miami-Dade County		Florida		United States
	Current Dollars	Percent of U.S.	Current Dollars	Percent of U.S.	Current Dollars
1990	\$17,823	95.3 %	18,539	99.2 %	\$18,696
1991	18,252	95.6	18,985	99.4	19,091
1992	17,340	86.2	19,797	98.5	20,105
1993	19,779	95.1	20,828	100.1	20,800
1994	20,362	93.8	21,767	100.3	21,696
1995	21,058	90.8	23,031	99.3	23,196
1996	22,370	91.5	24,198	99.0	24,436
1997	21,688	85.8	24,799	98.1	25,288
1998	23,919	87.9	26,845	98.6	27,203
1999	24,733	86.6	27,781	97.3	27,781

POPULATION ESTIMATES

	Miami Beach		State of Florida		United States	
	Population	Change %	Population	Change %	Population	Change %
1991 (1)	92,939	0.3	13,195,952	2.0	251,303,922	1.0
1992	93,461	0.5	13,424,416	1.7	256,300,000	1.9
1993	95,160	1.8	13,608,627	1.4	257,908,000	0.6
1994	93,681	(1.5)	13,878,905	1.9	260,341,000	0.9
1995	91,775	(2.1)	14,149,317	1.9	262,755,000	0.9
1996	91,848	0.1	14,411,563	1.8	265,284,000	0.9
1997	92,927	1.2	14,712,922	2.1	267,636,000	0.9
1998	93,464	0.6	15,000,475	1.9	270,299,000	0.9
1999	94,012	0.6	15,322,040	2.1	272,691,000	0.9
2000	87,933	(6.5)	15,982,378	4.3	281,422,000	3.2

(1) U. S. Census

Source: Florida Statistical Abstract, 2001.



City of Miami Beach

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